

# *The* **NATIONAL UNDERWRITER**



This is one of the illustrations from the aviation issue of *The Employers' Pioneer*. Write for your copy of this unusual publication to The Employers' Group, 110 Milk Street, Boston.

**THURSDAY, FEBRUARY 13, 1941**

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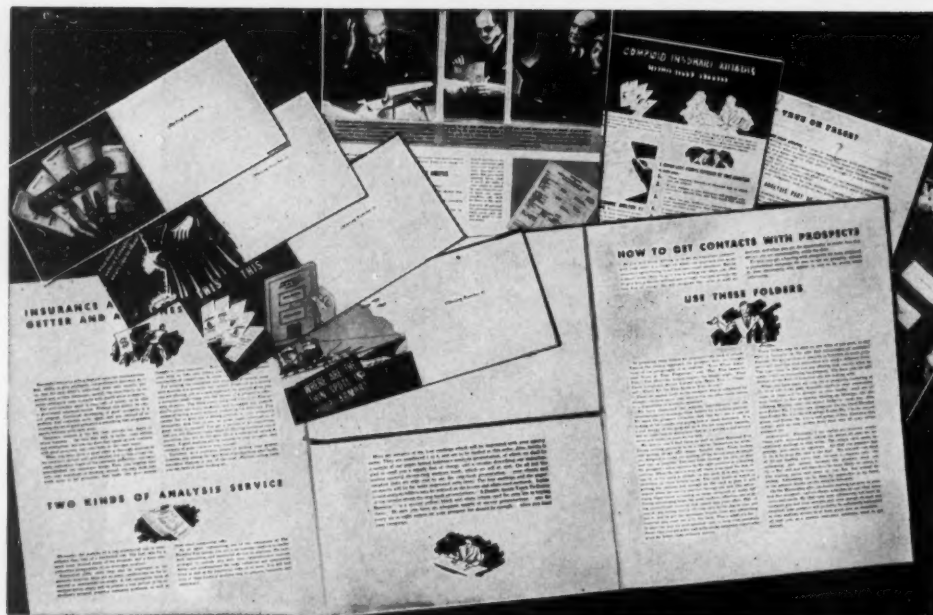
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MECHANICS & TRADERS INSURANCE COMPANY — FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK

Home and Administrative Offices: 95 Pearl Street, Hartford, Connecticut

Western Department: 175 West Jackson Boulevard, Chicago

Pacific Department: 234 Bush Street, San Francisco

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-fifth year. No. 7. Thursday, February 13, 1941. \$4.00 a year (Canada \$5.00), 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.

# EMPLOYERS REINSURANCE CORPORATION

HOWARD FLAGG . . . PRESIDENT

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REINSURANCE OF CASUALTY FIDELITY AND SURETY—WE INTEND THAT ANY  
CONTRACT WITH EMPLOYERS RE SHALL BE WORTH MORE THAN IT COSTS

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FIDELITY-PHENIX FIRE INSURANCE COMPANY  
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# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 7

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 13, 1941

\$4.00 Year, 20 Cents a Copy

## Opportunity in "Boom Towns" Near Defense Projects

### Some of Business Gains Will Continue Through Defense Program

Rapidly expanding "boom towns" near large scale defense plants or military camps, forts and the like, create new hazards and some new opportunities for alert agents. The situation is still quite new, however, and there has been little experience reported from insurance men.

In many states there are two, three, or more of these mushroom establishments. In some cases they start with a nucleus of only a small village. This is the case of Waynesville, Mo., that had a population of 350, but grew in a few weeks to 3,000, and is still growing. Waynesville is near the new Fort Leonard Wood, southeast of Jefferson City. At the same time, but on another side of this particular military development, a fairly large city, Rolla, is feeling the expansive impetus of the vast new construction project. Over in Wichita, Kan., an expansion in the activities of airplane factories has resulted in employment of several thousands, but the expansion has been fairly comfortably absorbed by the existing city, though even here the effect has been reflected in new real estate and building activities, as well as in increased traffic, new business, etc.

### Perishable Character

At Waynesville the boom has a highly "perishable" character, since it has attracted trailers, tents, shacks, and other impermanent housing for both business and living purposes.

Rolla is a hive swarming with activity, and there is very little indication that things will return to normal in the near future. There is a tremendous housing problem in buildings not suited or designed for the purpose. For instance, one building is crudely partitioned off into small segments containing beds that sell for 50 cents a night.

Unquestionably overcrowded living conditions will increase the fire hazard. Certainly the influx of from 10,000 to 20,000 more or less transient workmen with their families and the usual camp followers involves some increase in insurance premiums to local agents. But for the most part these people are of a low income class and not therefore purchasers.

In Rolla, and in other towns like it, buildings vacant for years are all occupied and producing heretofore unheard of revenue for owners. While some of the flurry will deflate after the camps are established, or after the factories built by thousands of extra workmen are completed, the presence in such camps of a great many draftees, and in

(CONTINUED ON PAGE 38)

## K. C. Leaders Now Map Plans

N.A.I.A. Convention  
Dates Oct. 13-16—Oakland  
Ready for Mid-Year

Leaders in Kansas City agency ranks are now busily engaged in making definite plans for entertaining the annual convention of the National Association of Insurance Agents this fall. Announcement that Kansas City had been selected was made just the other day by W. H. Bennett, general counsel of the N.A.I.A. The dates have now been officially announced as Oct. 13-16.

The Kansas City Chamber of Commerce will handle a great deal of the mechanics of the convention arrangements. This is a most efficient organization. Its president is Morton T. Jones, who is president of Kansas City Fire & Marine.

The various Kansas City committees have not as yet been named with the exception of the chairman of the housing committee, who is Fred V. Griffith. All reservations will be made through Mr. Griffith, who should be addressed in care of the Chamber of Commerce, 1028 Baltimore avenue, Kansas City.

President Reynolds Barnum of the Insurance Agents Association of Kansas City, advises that the convention headquarters will be the Municipal Auditorium. Registration will be conducted there and all of the various committee meetings of the National association will be held there. The office of the secretary of the National association for the entire period of the convention will be Parlor A and the music room on the mezzanine floor of the Muehlebach. That is the workroom. It is anticipated that the Muehlebach will be the central hotel of the convention, but it will be only possible to house a certain proportion of the conventioners there. The Muehlebach is just two blocks from the auditorium.

### OAKLAND PREPARATIONS

OAKLAND, CAL.—Chairmen of the various committees in charge of arrangements for the April mid-year meeting here of the National Association of Insurance Agents have been announced by General Chairman S. G. MacBeth as follows:

Finance, Floyd Lane; housing, Preston Snook; registration, Edgar Bennett; tickets, George Johnson; publicity and promotion, Elmer White; transportation, Ray Laughrey; entertainment, Howard Cross; ladies entertainment, Lillian Campbell Pinney; reception, K. G. White; monitor committee, Frank C. Colridge.

A record attendance is expected. Headquarters will be at Hotel Oakland.

### OPEN HOUSE IN DALLAS

DALLAS—The Dallas Insurance Agents Association will hold "open house" the morning of April 18 for those en route to the midyear meeting of the National Association of Insurance Agents in Oakland, President Fred Malinson announces. The Texas & Pacific will run a special out of Dallas, picking up pullmans from St. Louis, Memphis

## Springfield F. & M. Again Gives View Behind the Scene

In keeping with the tradition that was followed during the presidency of the late George G. Bulkley, Springfield F. & M., in its annual report goes behind the bare figures and gives an intimate glimpse of the problems, trends and developments of the year insofar as these



W. B. CRUTTENDEN

companies and the business as a whole are concerned. For the first time, this message appears over the signature of President W. B. Cruttenden.

Mr. Cruttenden states that there was an increase in premium income during 1940 in all major classes except hail. While the hail business was profitable, there was a falling off in income in cotton and tobacco growing states due to low prices and curtailment of acreage.

### Increase in Premiums

The increase in fire premiums, in the face of the constantly reducing rate level, is especially gratifying. He pointed out that the rate level for 1939 was 67 cents. This compared with 86 cents in 1930, or a reduction of 22.1 percent in the 10

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and New Orleans connections. The "Insurance Special" will leave Dallas at noon April 18 and will have a two or three-hour stopover in El Paso, so that those who wish may visit Juarez, Mexico, just across the international bridge. The special will reach Oakland, via Los Angeles, 8:30 p. m., April 20. All railroad tickets from the east can be routed via Dallas without extra fare.

Company officials from the east and north are being urged to come to Texas a few days early, taking advantage of the stopover privileges, and then boarding the special to Oakland. Return trips can be arranged as desired. President L. H. Derby of the Arkansas association and Manager R. Lea McClelland of the Louisiana association are also inviting company men and local agents to visit their states en route to Dallas.

## North America Moves Toward Participating Field

### To Amend Charter to Permit Paying Dividends to Policyholders

PHILADELPHIA — The North America has notified stockholders that a special meeting will be held at the home office March 19, "to take action on these questions: (1) Amending the charter by adding thereto a new article authorizing the board to permit the policyholders of the company to participate from time to time in the profits of its operations, through distribution to policyholders, and to make reasonable classifications of policies from time to time for the purpose of carrying this provision into effect, and (2) amending article 11 of the by-laws to permit the calling of a special meeting of stockholders by notice mailed to each stockholder, without notice by publication in local newspapers."

### Move Is Significant

The move on the part of the North America to make possible the writing of participating policies will undoubtedly cause a great stir in the business and will cause company men and agents to study the idea anew. A number of leaders have advocated such a course for the past several years on the theory that it is the most practical method of meeting the competition of non-stock companies, and is the most equitable and safest way to respond to low loss ratio situations that may prove to be transitory.

General of Seattle, a non-board stock company, has been selling participating insurance in many states for the past several years and has made substantial progress. Federal of New Jersey and Stuyvesant some time ago amended their charters to permit them to write participating contracts but they have not actually commenced to do so.

The North America is the oldest stock company in this country and is one of the largest.

The management of the North America is aggressive. They have some very positive ideas on how the business should be conducted and they are not afraid to take an unconventional course if they believe they are on the right track.

Should the North America actually commence to issue participating policies, it would be an historical innovation that would likely have profound influence on the business.

### Ia. Agents Bill in Senate

DES MOINES—The local agent's qualification and licensing bill has been introduced in the Iowa senate. It is being sponsored by the Iowa Association of Insurance Agents.

## Ohio Farmers Has Gala Rally

LE ROY, O.—Important gains in assets, surplus, premium reserve and premium income of Ohio Farmers were reported by Secretary J. C. Hiestand at the annual meeting of the company, which is held concurrently with the annual gathering of the Ohio Farmers Agents Association. This is the big week of the year in Le Roy and unusual enthusiasm was in evidence this week.

Assets of Ohio Farmers now amount to \$5,820,181, an increase of \$651,921. Surplus is \$2,362,048, a gain of \$46,949. The increase in premium income was \$695,543 and the attending increase in premium reserve was \$563,187.

Assets of Ohio Farmers Indemnity are \$1,673,103, a gain of \$193,311. Capital is \$200,000 and net surplus \$551,850, an increase of \$71,248.

Max M. Fulks of Chillicothe was elected president of the Ohio Farmers Agents Association. Vice-president is C. D. Thomas of Bellefontaine; secretary, Frank E. Kirkpatrick, Columbus. The executive committee consists of E. M. Farley, Caldwell; G. D. Moysey, Eaton; H. H. Bemham, Elyria; D. K. Grisier, Wauseon; P. K. Tadsen, Port Clinton.

One of the interesting features of the annual meeting is the awarding of the Ivy Trophy. Webb I. Vorys, director, made the award to the southeast district of Ohio in which W. W. Waters is special agent.

Agency problems in underwriting was the topic for consideration Monday evening. Discussion was led by P. A. Wilder, manager of the farm department; J. R. Hamilton, manager of the fire department, and J. W. McKeown, manager casualty department. There was a round table discussion.

Russell Jacobs, agent at Coshocton, O., showed several reels of pictures, some local scenes and many of the European war.

Tuesday afternoon the session opened with reading of the minutes by Frank E. Kirkpatrick, secretary of the Ohio Agents Association. President C. D. McVay gave the welcome address; response was by Milton S. McKay, president of agents association.

John W. Love, columnist of the Cleveland "Press," gave an address on "Relationship of Business to Armament."

Mr. Hiestand spoke on "1940 a Year of Accomplishment."

Dwight P. Ely, manager of the production department, gave an address on "Do Surveys Personalize?"

There was an address by A. Bruce Bielaski, assistant manager of the National Board.

The principal address of the afternoon was given by W. G. Leutner, president of Western Reserve University, Cleveland.

That evening several candidates were initiated into the secret organization known as "Yellow Dogs."

Then the banquet with John A. Weber, director, as toastmaster. James G. Stewart, mayor of Cincinnati, gave an entertaining and enlightening address. H. S. Boynton, agent at Toledo, led in group singing at the several sessions. Following the banquet all were entertained by feats of magic by Dr. Harlan Tarbell.

Following this program, the annual meeting ball was held.

Wednesday morning the Ohio Farmers annual meeting was held.

### Johnson Zone 4 Chairman

ST. PAUL—Commissioners of Zone 4 met here to discuss zone problems and to elect a new chairman to succeed Frank Yetka whose term as Minnesota commissioner expired Feb. 1. Newell R. Johnson, new Minnesota commissioner, was chosen in Yetka's place. All eight states in Zone 4, except Illinois and Indiana, were represented. Viehmann of Indiana was made vice-chairman.

## Phoenix of Hartford Advances Five Officials



JOHN A. NORTH

Five members of the head office organization of Phoenix of Hartford have been advanced in rank. Secretary John A. North becomes a vice-president; three general agents become assistant secretaries, they being Oscar M. Howland, Harold M. Grant and Glen L. Pickens. John Ashmead of the advertising department was appointed a general agent.

Mr. North graduated from Yale and has been with Phoenix since 1925, first in the Texas field, then in Connecticut-Massachusetts. He was appointed assistant secretary in 1936 and secretary in 1939.

Mr. Howland has been with the group since 1926, starting as special agent for Connecticut Fire. Mr. Grant joined Phoenix in 1928, formerly having been with the Texas Inspection Bureau. He was made manager of the southern department at the home office in 1939.

Mr. Pickens went with Phoenix in 1935 as Iowa special agent and went into the home office in 1939.

Mr. Ashmead went with Phoenix as conflagration engineer in 1927 and was made advertising manager in 1936. He was previously connected with the National Board.

### Paramount Officials in Chicago

Three officials of Paramount Fire are in Chicago this week, surveying the scene. Owen Murray of Dallas, chairman of Paramount, and W. E. Harrington of Atlanta, a director, are there for the entire week. Ray Thorne, executive vice-president, returned to New York Tuesday.

## National Board 75th Anniversary

NEW YORK—The 75th anniversary of the National Board will be observed with a nation-wide dedication to future progress which will culminate May 21-22 in a two-day meeting at the Waldorf Astoria hotel, it was announced following a meeting of the committee in charge of arrangements.

Departing from its traditional one-day meeting, the National Board plans to have business sessions on each of the two days selected. Tentative arrangements call for luncheons each day at which it is expected leaders in various lines of industry and finance, and in educational, scientific and other fields will discuss the contribution which capital stock fire insurance has made to the nation.

Particular emphasis will be placed on the public welfare activities which stock companies have carried out through the National Board and other organizations during the past three-quarters of a century.

The two-day event will conclude with a dinner at the Waldorf Astoria May 22, at which the principal speaker will be an outstanding national figure.

## Kansas Agents Fight Automobile Dealer Agencies

The Kansas Association of Insurance Agents has sent a special bulletin to members regarding the reported intention of Motors Insurance Corporation to appoint several hundred automobile dealers as agents. According to the bulletin, Motors Insurance is to be used for writing insurance on financed automobile deals handled by General Motors Acceptance Corporation, replacing General Exchange Insurance Corporation. Manual rates have been filed by Motors Insurance.

Secretary Wade Patton states that a special conference committee has been in action on this situation for several days. The members are requested to advise the association of their attitude.

The bulletin cites the position that has been taken in the past by the National Automobile Underwriters Association, by the organized casualty companies and the National Association of Insurance Agents against appointment of automobile dealers as agents.

### Kunkel with Quaker City

John G. Kunkel, formerly special agent for Potomac in Ohio, has been appointed special agent for Quaker City F. & M., with headquarters at 12 North Third street, Columbus, O.

H. P. Frantz of Enid, Okla., immediate past president of the Oklahoma Association of Insurers, is on the advisory board of the Oklahoma unit for Region 7 of the national committee for conservation of man-power in defense industries.

## THIS WEEK IN INSURANCE

North American takes steps to get authority to issue participating policies. **Page 3**

Hallett R. French, Tacoma bridge agent, is sentenced to maximum of 15 years in penitentiary. **Page 5**

John A. North, formerly secretary, is advanced to vice-president of Phoenix of Hartford and four other home office executives are advanced in rank. **Page 4**

New edition of revised standard fire policy introduced in New York legislature. **Page 5**

R. L. Tanner is made senior vice-president of New York Underwriters succeeding J. C. Stoddart. Other promotions are also made. **Page 5**

Richard T. Wood is appointed manager of the fidelity department of American Surety and New York Casualty. **Page 24**

A further reduction in war risk rates on cargoes to and from countries in the east and far east is put into effect by marine underwriters. **Page 36**

Annual meeting of the National Board, on its 75th anniversary, will consist of a two-day instead of a one-day session this year, the dates being May 21-22. **Page 4**

Continental Casualty moves to increase capital from \$2,000,000 to \$2,500,000. **Page 28**

Closer scrutiny of personal sureties urged by Henry Moser before Illinois judges association. **Page 10**

Need to convince federal authorities on importance of surety bonds in national defense program, stressed by Ray Murphy at Baltimore Insurance Day dinner. **Page 19**

Oscar H. West resigns as manager of the Virginia Association of Insurance Agents to become managing director of the Retail Merchants Association of Virginia. **Page 33**

## Aetna Fire Group Makes Promotions



RUSH W. CARTER

Rush W. Carter, farm superintendent in the western department of Aetna Fire, has been appointed assistant western manager. He is one of the most prominent men in the farm field in the west.

A number of promotions were also made at the home office. A. R. E. Bladen, who has been secretary of the affiliated Century Indemnity, has also been elected to the same position in Aetna Fire. C. B. Bristol and F. W. Stikels have been named assistant secretaries of Century Indemnity. M. R. Jewett and D. A. Solly, Jr., have become assistant treasurers of the Aetna Fire group.

## Edwal Loss in Chicago Due to Autoclave Explosion

Explosion in the Edwal Laboratories at the south edge of the Chicago "loop" Tuesday, with death of three men and injuries to eight, besides heavy contents loss, may raise some interesting questions as to the conduct of manufacturing chemical business in congested areas.

Newspapers reported 70 pounds of TNT was brought in "harmless" wet state into the laboratories daily to be quickly processed into photographic products.

However, the explosion, which shook the downtown area and did some damage to the building at 732 South Federal street, appears to have originated in an autoclave that was used to make mustard oil. Newspapers reported a negro janitor, who was killed, was tending this apparatus, which was considered safe. However, a manuscript was found in the Edwal office which pointed out extreme pressures could be built up in an autoclave under certain conditions.

The workmen's compensation risk and the building and contents are widely spread. Western Adjustment, which is handling the loss, as yet has not details as to coverage or companies on the risk.

### "Ad" Conference Meets May 15

The Insurance Advertising Conference will meet at the Hotel Roosevelt, New York City, May 15. In addition to group discussions led by conference members, the tentative program includes talks by an outstanding company official, an advertising agency executive and a technical expert on printing.

Thomas Fraher, bond engineer from the home office of Aetna Casualty, is in Los Angeles for a month.

G. A. Mavon, prominent local agent of Chicago, is vacationing at Miami Beach. He is stopping at the new Surf Hotel which has just come under the management of Paul Pickering, former vice-president of Illinois Casualty.



## Standard Policy Bill in New York

### Explosion Cover Cut Down as Form Is Again Offered to Legislature

ALBANY—Senator Hampton has again introduced a bill in the New York legislature to make the proposed new standard fire insurance policy mandatory in this state. The explosion coverage has been limited considerably, but otherwise the proposed policy is substantially the same as that prescribed in Senator Hampton's bill of the last session. The present bill has been referred to the insurance committee.

In addition to fire and lightning, and smoke and smudge from sudden, unusual and faulty operation of stationary heating furnaces pertaining to the service of a building, except stoves, fireplaces and industrial apparatus, the insuring clause of the latest proposed form covers explosion of hot water tanks and heaters and furnaces used for heating buildings, with an exclusion of explosion originating within steam boilers and pipes connected with them, unless fire ensues. The form proposed last year gave complete explosion coverage, except explosion originating within steam boilers, pipes, fly wheels, engines and rotating machinery "connected therewith and operated thereby, caused by internal pressure or centrifugal force."

#### Add Electrical Apparatus Clause.

The number of lines in the proposed policy has been increased from 189 to 195. The present or 1918 New York standard form contains 200 lines. This increase is caused largely by the addition of an electrical exemption clause to the "hazards not covered" section and of a clause excluding damage by explosion, except as provided in the insuring clause, unless fire ensues and in that event fire damage only.

The section providing for pro rata liability with other insurance has been made more specific. The former proposed policy stated that the company would not be liable for a greater proportion of any loss than the amount bears to "the whole insurance covering the loss." The new proposed form provides for pro rating with "the whole insurance covering the property against the hazard involved, whether collectible or not."

#### Other Changes

The provision for added clauses permits adding "any other peril or coverage" permitted by law, instead of simply "any other peril." The section relating to explosives, benzene, gasoline, naphtha, and other petroleum products of greater inflammability than kerosene oil permits keeping one quart "each," the former version restricting this quantity to one quart, presumably of all substances combined. The lines covering destruction to prevent the spread of fire now refers to "acts of destruction" instead of simply "destruction."

Regulations for use of the proposed policy are substantially the same as those introduced last year, including permission for forms, schedules and endorsements, prescriptions as to the size of type and authorization of supplemental contracts and extended coverage endorsements, including permission to show the premium for additional coverages on the face of the policy and on daily reports.

#### Some Objections Remain

The complete explosion coverage in the policy proposed last year was one of the major objections raised by the National Board and other fire insurance interests. It is not known at this time whether the limiting of this coverage will satisfy the companies. Some observers were surprised that the complete steam boiler exclusion was left in the

## National Union Fire Celebrating 40th Anniversary

National Union Fire, incorporated early in 1901, is celebrating its 40th anniversary, adopting as a slogan, "We're 40 in '41." Organized with a capital of \$200,000 further increased during the year to \$500,000, the company progressed until it had a capital of \$5,500,000, the highest point, which was reached in 1930. The premium income gained, writing in the first year \$212,-



JOHN M. THOMAS

818 and reaching the highest level \$16,474,612 in 1929.

Elmer E. Cole, now deceased, practically guided the destinies of National Union from its incorporation, although he did not become its chief executive officer until 1905 and served continuously as president until retired in 1931.

When the company started, its offices consisted of two small rooms in the Standard building, Pittsburgh, but rapid growth necessitated additional space so that further moves were made in 1902, 1910, 1917, and in 1923 it moved into its own home office building. At the time, it was felt sufficient space was available for years, but further rapid developments soon indicated the need of more room and an annex of a seven story building in the rear of the home office was occupied in 1930.

Since its organization, National Union has been directed by a board representing leading banking and industrial interests of Pittsburgh. Its present membership is: George L. Craig, president Charters Oil Co.; Roy A. Hunt, president Aluminum Company of America; H. M. Johnson, treasurer Mellon Securities Corporation; B. F. Jones, III, vice-president Jones & Laughlin Steel Corporation; W. F. Knox, Moorhead & Knox, attorneys; Charles Lockhart, vice-president Lockhart Iron & Steel Company; A. W. McEldowney, vice-president Mellon National Bank; Richard K. Mellon, president Mellon National Bank; W. L. Mellon, chairman of board Gulf Oil Corporation; Eugene Murray, president Fidelity Trust Company; Thomas L.

(CONTINUED ON PAGE 37)

limited explosion coverage, since the New York law now permits fire insurance companies to cover explosion of steam boilers not owned or controlled by the assured.

The proposed new form omits the "unconditional and sole ownership" clause, which is found in all present standard fire policies except the New England form. This clause has been repeatedly criticised in discussions of the standard forms, but the National Board has fought for its retention and last year severely criticised its omission.

## Tacoma Span Agent Gets 15 Years

### French Leniency Plea Denied by Court, Sets Term at Maximum

SEATTLE—Rejecting a plea for leniency, Superior Judge Malcolm Douglas on Friday sentenced Hallett R. French, former general agent for the Merchants Fire of New York, to 15 years in the state penitentiary at Walla Walla. The court imposed the maximum sentence for grand larceny after French had changed his plea to "guilty," admitting the embezzlement of the premium on the \$800,000 policy he wrote and failed to report on the ill-fated Tacoma Narrows Bridge, which collapsed last fall.

French's attorney, C. O. Carroll, presented a petition asking for a suspended or deferred sentence, to which was attached the signature of "100 leading citizens." In denying the plea, Judge Douglas stated that "the court is of the opinion it cannot, with propriety, defer or suspend sentence in this case. When courts send men to penal institutions for taking small amounts, they scarcely can be reconciled, in that line of policy, to let off the defendant who takes amounts so much larger." The court also added that imposition of the sentence would "serve as a deterrent to others."

French said he had sold whatever property he and his wife owned and had made restitution to the company for as much money as he could raise.

The specific charge against French was that he embezzled \$1,217, the amount of one of the premiums he wrote for Merchants Fire on the suspension bridge. However, French wrote a total of \$800,000 on the span for his company, and at the time of his arrest Dec. 3, freely admitted his thefts would probably reach \$20,000.

Merchants Fire did not learn until two days after the bridge collapse that it was liable. French had been with the company 20 years, opening the agency in Seattle. He is 45. He appeared in superior court on Jan. 17 for arraignment and pleaded not guilty. On Jan. 25, two days before his trial was scheduled to open, he changed his plea.

Under Washington law, the court had the choice of suspending or deferring sentence, but could not reduce the sentence from the maximum of 15 years set by statute. The state parole board has the power at any later date to reduce his maximum sentence to be served.

### Booklet on Weather Sent Out by Aviation Group

Associated Aviation Underwriters of New York has published "Keeping Ahead of the Weather," a 64-page illustrated booklet, which it is distributing to all assured, including CAA students, and to special agents of companies in the group. Copies also were sent to agents and brokers.

This is a clear explanation of the weather phenomena and method of prediction and forecast. It was written by P. E. Kraght, graduate California Institute of Technology and specialist in the air mass theory and practice.

D. deR. M. Scarritt, manager, stated agents and brokers could profitably concentrate on selling aviation insurance, as there is a real demand today and a substantial market for the lines. The new weather booklet, he said, was designed to be helpful to producers in securing this business.

### Mutual Agents Pick Pinehurst

The National Association of Mutual Insurance Agents will hold its annual meeting in Pinehurst, N. C., in October.

## Tanner Now Senior Executive of N. Y. Underwriters

R. L. Tanner has become senior vice-president at the head office of New York Underwriters following the retirement of J. C. Stoddart, whose health has been impaired for some time.

At the same time T. C. Talliaferro and R. S. Stoddart become vice-presidents. They were formerly secretaries.

Secretary F. R. Scott is designated senior secretary and H. C. Davis and H. C. Klein become secretaries.

Mr. Tanner went with New York Underwriters agency in 1910 as Illinois special agent. Previously he had been in the farm department of Home in Chicago. He was appointed Illinois state agent of New York Underwriters in 1914 and western special agent in the special risk department in Chicago in 1917, executive assistant at the New York home office in 1920. In 1926 he was named assistant secretary of New York Underwriters Insurance Company upon its incorporation. He was named secretary in 1928 and vice-president in 1937.

Mr. Talliaferro went with New York Underwriters in 1920 as manager of the special risks department in Atlanta. Previously he had been an engineer for the Southeastern Underwriters Association. He was later transferred to the home office and made an assistant secretary in 1928. He became secretary in 1937.

R. S. Stoddart's affiliation with New York Underwriters dates from his graduation from Yale in 1919, when he entered its eastern underwriting department. He advanced in turn through the grades of assistant secretary and secretary.

Mr. Scott's entire business career has been with New York Underwriters which he joined in 1910. His duties are largely in supervising the office activities and personnel.

Mr. Davis has spent some years with the company, first in the field in Ohio and later in Massachusetts and then at the home office. Mr. Klein is head of the special risks department, a position he has occupied for some time.

The retirement of J. C. Stoddart is regretted by his many insurance friends. His special field is use and occupancy insurance. To it he has devoted years of intelligent study. He was a recognized leader and contributed much to committee and other gatherings when U. & O. matters were under review. He gained his first insurance training with North British & Mercantile. After service during the war Mr. Stoddart joined the staff of New York Underwriters.

The name of Stoddart is synonymous with that of the New York Underwriters which was founded by Alexander Stoddart, who directed its activities for many years, being succeeded upon his death by his cousin, the late John H. Stoddart. J. C. Stoddart is a son of John H. and brother of R. S. Stoddart.

### Briton Praises Attitude of U. S. Insurers

New York "Times" carried a dispatch from London the other day quoting J. C. Wilmot, parliamentary private secretary to the ministry of economic warfare, as praising American insurance companies for having refused to accept risks that are not acceptable to British companies. He said he desired to give recognition to "the collaboration which we have received from those Americans who have not waited for an official lead from their administration in order to aid us to their utmost."

"Often their decisions have involved material sacrifice. They have refused to help the enemy by trading with him directly or indirectly and have lost that much business to less scrupulous or less clearheaded rivals."



## Wisconsin Bill to Place Reciprocal Under Rate Bureau

MADISON, WIS.—Bringing reciprocal under fire insurance regulation, an additional residence requirement for agents' licenses and further term regulations are the most important features of 13 bills introduced in the legislature here with the backing of the Wisconsin insurance department. The department states that some of the proposed legislation is intended to remove conflicts and bring the laws up to date.

Reciprocal bills have been expressly exempted from the fire insurance laws, including use of the standard fire policy, uniform forms and endorsements, rates, membership in actuarial bureaus, etc. Senate bill No. 105 puts their operations on the same basis as those of stock and mutual carriers.

Senate bill 106 requires pro rata cancellation of insurance on financed automobiles when rewritten through the same finance company or an affiliate. The department states that there have been cases where the assured suffered a short rate penalty because of refinancing.

The proposed change in term rules would eliminate discrimination caused by some carriers writing term business on an annual or other deferred payment basis. The department maintains that this practice is used more often for competitive purposes than to assist assureds who are short of funds.

### Agency Residence Requirement

The bill requiring a year's residence in Wisconsin before any form of insurance can be solicited is directed principally at agents selling limited accident and health policies, who work the state thoroughly for a year or two and then move on. Senate bill 117 requires filing and adherence to uniform rates for group accident and health insurance and is aimed particularly at hospitalization policies.

Senate bill 109 requires annual registration of the names of underwriters agencies used by companies and filing of their policies. A bill amending the rules for actuarial bureaus would prevent agents from promulgating rates. Senate bill 12 authorizes vandalism and malicious mischief insurance.

Another bill would require mutuals to maintain a surplus of \$50,000, in addition to the present license requirement of 400 applications and premiums and contributions of \$20,000. Three bills are intended to simplify and harmonize the laws regarding mutuals, by removing the requirement of annual filing of rates, changing a section in conflict with the rule for paying assessments and removing an anomaly in bond requirements.

To prevent duplications, Senate bill 110 provides that notices of localities entitled to fire department dues shall be sent annually with other notices.

A hearing will be held Wednesday before the senate committee on corporations and taxation on these bills.

## National Fire Offers Free Matrix Service to Agents

HARTFORD—A new matrix service for newspaper advertising by agents, including striking and humorous cartoons, was offered this week by the companies of the National Fire group. A feature of the campaign is that each

### WHY ON EARTH DO THEY DO IT?



... take it for granted that their insurance is just right

It's easy to be sort of lax about insurance, particularly if you've never had a loss. "Guessing" that it's all in order can be awfully costly guesswork. You may have too much, or you may have too little. It's bad business either way.

**Moral:** Don't risk leaving it to disaster to show where you stand... Let us go over your insurance situation BEFORE a loss comes.



YOUR NAME, ADDRESS  
& TELEPHONE NUMBER  
HERE

one carries the same caption: "Why on Earth Do They Do It?" The cartoon, a headline below it and the text call attention to some common error people make in buying insurance. The "moral," just above the signature, points out that the agent can help avoid that error.

The matrices are offered free to all agents of companies in the group. The group's sales bulletin tells how to use this newspaper advertising, why it is economical and gives hints on position preferences in newspaper advertising and other uses of the 24 complete advertisements.

The Nationale of Paris has withdrawn from the province of Alberta.

## U. & O. Is Important in National Defense Program

MINNEAPOLIS—Business in this country is faced with much larger use and occupancy losses and more U. & O. business will be written than ever before, C. L. Mehagan, manager Western Adjustment, told the Insurance Buyers Association of Minnesota at a dinner meeting here.

"My hope is that the present low rates on this coverage will continue but the danger is they will soar," Mr. Mehagan said. He added that business firms could help to minimize their U. & O. losses by segregating their materials so that all would not be exposed to a single hazard.

### Should Buy for Long Term

Mr. Mehagan told the buyers, representing many of the largest firms in Minnesota, that they would have to consider buying U. & O. for more than 12 months, possibly for 24 or 36 months, because of the increasing difficulty of replacing equipment and materials during the carrying out of the national defense program. He said it was world war 1 that really brought U. & O. to the front.

"When you carry U. & O. you want the insurance company to carry all your risks, for no one knows under what conditions a loss may occur," Mr. Mehagan continued. "Policies should be written on an annual basis. U. & O. is adaptable to all circumstances of business and may apply to any hazards that affect property values. While U. & O. is designed to protect the insured against loss of earnings during business interruption it is based upon the expectation that the business will resume normal operations as soon as possible."

Mr. Mehagan said that comparatively little litigation has resulted over U. & O. policies.

### Earnings Are Most Important

The rapid development of mass production in this country has had an important effect on U. & O. underwriting, Mr. Mehagan said.

"What a business earns is today being regarded as more important than its property values and that is why U. & O. coverage is in greater demand than ever before," the speaker continued. "More U. & O. will be needed and written in the future than ever before."

Mr. Mehagan discussed at some length the U. & O. situation in Minnesota where, because of court decisions some years ago, companies have not been as avid to write this type of coverage as in some other states. Since those decisions the Minnesota law has been amended in some particulars and he said there are now four forms available in this state.

### Wants Unclaimed Premiums

JEFFERSON CITY, MO.—Senator Whitlow has introduced a bill to have the state treasury take over \$2,300,000 in unclaimed fire premiums in the old 10 percent Missouri rate case. This amount represents premiums ordered returned, the owners of which the insurance department has been unable to locate. Five years would be allowed under the bill for claimants to file claims to the fund after it is put into the state treasury.

## Manhattan Loss May Run One Million

### Loss Adjustment Is Biggest in History; Details of Salvage Given

NEW YORK—It will not be surprising if the total loss on the Manhattan, including repairs and salvage charges, runs in the neighborhood of \$1,000,000, if gossip among marine men proves well founded. Of necessity any such estimate at this stage is largely a guess, for the ship arrived in New York for dry docking only this week. It will take extensive surveys to determine the physical damage, after which there will be the question of the salvage to be paid the Merritt-Chapman & Scott Corporation for dragging the ship off a shoal near West Palm Beach, Fla., after efforts covering almost a month since the vessel went ashore Jan. 12.

As is customary in these cases, the salvage firm took the case on a "no cure no pay" basis and the charge will not be based on merely a per diem rate for use of the company's salvage tugs and other equipment but will also take into account the risk involved and the value of the salvaged ship. That is, Merritt-Chapman & Scott will be entitled to charge a higher fee for the Manhattan job than if they had spent the same amount of time, used exactly the same equipment, and taken the same risk on a vessel having a much lower salvage value. It is customary for the owners and underwriters to agree through negotiation with the salvage firm on a satisfactory salvage charge. Sometimes it is arrived at through arbitration. Rarely is it taken to court.

### Biggest in U. S. History

From a loss adjustment angle the Manhattan case is easily the biggest in American history in point of values involved, though there have been quite a few involving greater complexities. Outside of marine men probably few in the insurance business have any idea of the maze of detail involved in a sizeable ocean marine claim. The adjuster's final report is a printed book, usually on legal-size paper, running to 150 pages or so. In the Manhattan case it will probably be around 200 pages. The printing bill alone will be several hundred dollars, as copies must be furnished to all the major shippers. In addition, certificates must be furnished the shippers with smaller amounts involved.

These elaborate reports must be furnished the shippers, since all who had cargo aboard must share in the "general average." This means that although there was no loss of cargo all the salvage operations, having been undertaken for the common benefit of the ship-owners and the cargo-owners, prorated according to the values of the salvaged ship and cargo. The cargo is roughly estimated to have been valued around \$1,000,000 so the shipowners' insurers will take the brunt of the general average and of course all of the "particular average," which is the damage to the ship itself. Value of the ship is determined by actual survey.

### Handling General Average

General average against cargo is handled by making a rough estimate of the salvage expense as a percentage of the combined salvaged value of the vessel and the cargo and requiring each cargo-owner to put up this percentage of the value of his cargo before taking possession. Suppose, for example, that the general average against the Manhattan and her cargo is roughly estimated at 10 percent.

The owner of each consignment of freight must put up 10 percent of the salvage value of his property and in addition sign a bond agreeing to pay his share of the general average as finally determined. Since the preliminary fig-

(CONTINUED ON LAST PAGE)

## FIGURES FROM DEC. 31, 1940, STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prem.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Amer. Motorists Fire.....	308,925	-1,101	689	+ 689	200,000	100,000	.....	1,354	50	3.6
British & Foreign Marine.	3,442,409	+ 604,388	231,874	+ 33,127	500,000	1,954,120	+ 206,280	1,388,868	444,826	32.0
Charter Oak Fire.....	2,910,135	+ 1,589,243	643,300	+ 643,300	1,000,000	1,266,452	+ 452,738	643,300	.....	.....
Equitable Fire, S. C.....	1,347,898	- 7,021	258,499	+ 17,745	300,000	676,701	- 26,080	248,083	123,966	49.9
Maritime.....	835,908	+ 82,330	76,591	- 14,654	250,000	310,380	- 38,471	372,936	101,375	27.1
National Surety Marine.....	1,991,329	- 8,671	26,564	+ 26,564	1,000,000	879,159	- 120,541	31,990	1,712	5.4
Ocean Marine.....	953,049	+ 172,461	76,225	- 7,920	250,000	431,947	+ 40,208	359,947	91,341	25.3
Prudential Fire.....	187,085	+ 5,247	21,945	+ 3,227	100,000	65,139	+ 2,020	169,620	149,161	87.9
Reliance Fire.....	819,145	+ 119,330	78,480	- 9,368	250,000	299,802	- 5,648	353,351	97,304	27.5
Republic, Tex.....	8,657,627	- 22,978	3,306,068	+ 567,828	2,000,000	2,625,832	- 558,720	3,003,020	877,508	29.2
Rocky Mountain Fire.....	702,911	+ 10,501	104,137	+ 4,075	275,000	299,649	+ 1,637	95,829	39,741	41.4
Selected Risks Fire.....	353,722	+ 27,959	47,205	+ 8,576	150,000	141,883	+ 14,337	86,475	22,915	26.5
State Farm Fire, Ill.....	868,234	+ 97,580	378,565	+ 103,995	250,000	158,959	- 161,081	525,322	178,256	33.9
Thames & Mersey Marine.	2,040,150	+ 554,986	198,738	+ 9,731	250,000	901,386	+ 116,956	1,285,315	324,888	25.2
Travelers Fire.....	28,120,370	+ 762,670	14,268,285	+ 252,064	2,000,000	6,279,320	+ 46,143	14,174,140	5,131,460	36.2

\*Reinsured 100% by London & Liverpool & Globe.

## Home of N. Y. Year Is Top on Assets and Premiums

The annual statement of Home of New York shows the largest total of assets in history at \$123,726,916. Assets comprise cash \$24,549,297 against \$15,295,881; bonds and stocks \$87,947,462 against \$97,664,997; mortgages \$371,827 against \$300,000; premiums in course of collection \$9,393,129 against \$8,353,236; reinsurance recoverable on paid losses \$1,241,546 against \$1,021,060, and other assets \$223,654 against \$420,924.

### Premiums Up 14.5 Percent

Capital is \$15,000,000; premium reserve \$55,020,615 against \$48,121,615; reserve for losses \$8,192,729 against \$6,190,596; reserve for taxes \$2,350,000, unchanged; reserve for miscellaneous accounts \$670,974 against \$848,769; funds and securities held under reinsurance treaties \$178,218 against \$173,600; and net surplus \$42,314,380 against \$50,371,518.

The premium income of over \$66,000,000, the largest in history, was an increase of over \$8,000,000, or 14½ percent.

### Ordinary Payroll Cover Is Increasingly Sold Now

While interest in use and occupancy insurance, due to the intensely active business condition created by the defense situation, continues at a high peak, discussion of methods of covering possible increases in unemployment compensation taxes seems to have died down. Last fall this was a very live topic and a number of forms were proposed to protect assured in states having merit rating provisions against a tax increase in the event a fire or other insured hazard should throw employees out of work. It is felt by some that under present conditions most industrial employees could easily find other work and hence that few or no claims would be made against the original employer.

The present feeling seems to be that a manufacturing assured is in more danger of losing his employees more or less permanently in the event of a fire than of having them make unemployment compensation claims.

### Assured Buying Payroll Cover

Along this line the head of the special risks department of a prominent fire insurance company recently wrote:

"I am inclined to believe that after proper explanation most of the assured are satisfied to adopt the preventive means of protecting ordinary payroll under item 2 of the contribution form. Perhaps our defense program has awakened many manufacturers to the possibility of losing ordinary payroll employees to other concerns in the event of shutdown by fire if they do not continue them on the payroll during the period of restoration. This is probably just as strong an incentive as avoidance of increase in unemployment compensation tax.

"Anyway, we observe that a larger proportion of our U&O policies on manufacturing risks are now being issued with item 2 coverage than any time since the contribution form was made available in 1929."

### Recent Total Loss

A recent loss to a small new manufacturing plant in the Chicago area indicates what many insurance men have been fearing. The assured needed machine tools and found he could not replace them in less than a year. At the same time, he could not even secure a guarantee of delivery at that time and he was told that his order could be accepted only subject to possible price increases. With the consent of the companies, the assured elected to go out of business and received payment for a

total property damage and use and occupancy loss. The use and occupancy payment was about \$25,000.

This loss was not large enough to be sensational, but it indicates what adjusters have been predicting will happen should a large manufacturing plant be severely crippled.

### Rating Setup in N. Y. State Is to Be Divided

NEW YORK—J. L. Parsons, president of United States Fire, and P. B. Sommers, president of American, whose terms as members of the governing

committee of the New York Fire Insurance Exchange expired, were re-elected at the annual meeting Tuesday. At the same time O. L. Brooks, president of Globe & Rutgers; W. J. Reynolds of Corroon & Reynolds, and H. F. Ellen, U. S. manager of York-shire, were chosen new members.

W. F. Dooley, vice-president of Continental, was reelected as chairman.

The suggestion that Buffalo, Rochester and Albany be designated as separate administrative offices, with jurisdiction over certain defined territory instead of all being under the jurisdiction of the Syracuse office, was ap-

proved, and the new program will be made effective at an early date.

Approval was given to changes in the exchange agreement submitted to the membership several weeks ago.

Mrs. Cliff C. Jones, wife of the president of R. B. Jones & Sons, Kansas City, is in the hospital at Miami, Fla., recovering from a sprained back. She accompanied Mr. Jones on a business trip, and the motor journey aggravated a minor back injury.

Read the "Accident & Health Review." Sample copy 10c. A1946 Insurance Exchange, Chicago.



Today's competition makes it more than ever necessary for the successful agent to investigate thoroughly the companies he wishes to represent. His duty, he knows, is to look behind the name on the policy—to check financial strength and company operation—to be certain of the cooperation he needs to increase his premium income by serving his assureds efficiently and well.

When he represents either the Century or the Pacific Coast Fire, he says, "Just What I've Always Wanted," as these companies meet all requirements. Through unexcelled facilities for writing all forms of fire and allied lines, such an agent offers COMPLETE PROTECTION—and makes his services more valuable to those who depend on his judgment to guide them.

## THE CENTURY INSURANCE CO., LTD. PACIFIC COAST FIRE INSURANCE CO.

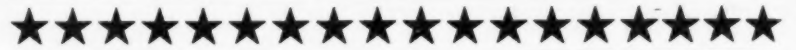
111 JOHN STREET



NEW YORK, N. Y.



## NEWS OF THE COMPANIES



### Record Income for Agricultural Group

The largest premium income in history, \$8,740,449, was recorded in 1940 by the Agricultural and Empire State. Premiums of Agricultural totaled \$7,143,429, a gain of \$1,102,691. For Empire State the increase was \$278,009, to \$1,597,020, also a record. President Harvey R. Waite indicated that nearly one-half of this increase was on fire and allied lines coming largely from agency sources and over a well distributed territory. Marine writings increased materially and the automobile volume continued its gain to reach a total premium volume of \$1,850,985.

Assets of Agricultural were \$15,394,858, an increase of \$363,988. Policyholders surplus was \$7,674,813, a decrease of \$332,238.

#### Empire State Assets Increase

For Empire State assets were \$4,228,469, an increase of \$215,346, while policyholders surplus was \$2,542,158, a decrease of \$21,711.

Agricultural reported a ratio of incurred losses on all classes of 44.5 percent with an adjustment expense of 2.5 percent. For Empire State the loss ratio was 46.2 percent with 1.7 percent adjustment expense. Total expense ratio for both companies was 45.5 percent. There was some increase in the number of losses, 2,300 claims coming as a result of the windstorm in the middle west last November.

During the past year the yield at market value on total invested assets was 4.2 percent. Bonds yielded 3.4 percent, preferred stock 4.8 percent and common stock 5 percent. The relative percentage of these types of securities in the combined portfolio was 50 percent in bonds, 27½ in preferred and 22½ in common stock.

A dividend of 75 cents a share was declared on Agricultural stock, and one of 50 cents on Empire State.

Auto volume for both companies increased to \$1,850,985, with a loss ratio of 46.3 percent.

One of the worst catastrophes during 1940 was the great middle western windstorm in early November. It resulted in 2,300 claims for some \$45,000 for these companies.

The unprecedented collapse of the Tacoma Bridge was another great catastrophe, entailing a loss to Agricultural and Empire State of \$12,000.

### Pacific National Shows Big Gains

Assets of Pacific National Fire reached a new high at \$9,168,301, an 8.5 percent increase over the previous year's total of \$8,451,763, and surplus to policyholders increased to \$3,719,275, a gain of 30.2 percent. President F. N. Belgrano, Jr., reported over 86 percent of total assets are in cash, stocks and bonds.

Net surplus over all liabilities is now \$2,469,275 in comparison with \$1,606,838. Capital is \$1,250,000.

Market exceeded convention valuation by \$396,148.

Additional offices were opened in Dallas and Sacramento in 1940.

#### Correction of U. & O. Article

In the article in last week's edition on use and occupancy insurance by Frank G. Howard of Northern Assurance, a line was dropped in column two, page 48. Line No. 36 should read: "rule out then all thought of specified time in an age where the absolute minimum need is for one year of rehabilitation," etc.

### American Reports Record Premiums

NEWARK — Premiums written by American of Newark in 1940 amounted to \$15,557,424, an increase of \$1,852,958, or 13.52 percent. This was the largest premium income in history.

Due to the increased volume it was necessary to increase reserve for unearned premiums \$1,068,390 to \$13,533,208. Outstanding losses increased \$421,688. Addition of these reserves produced a small statutory underwriting profit of \$55,789. This, however, was increased \$95,921, by an improvement in the reserve for overdue balances, resulting in a gain from underwriting of \$151,710.

Earned investment income of \$849,843 was approximately the same as 1939, and amply covered dividends paid of \$802,497.

Assets increased \$1,175,779 to \$31,908,602. Surplus, due to the increased reserves and deduction for dividends, showed a decrease of \$475,529 and at the end of 1940 was \$10,878,968. If securities were valued on an actual market basis, surplus would be greater by \$772,357 and would amount to \$11,651,325. Comparing this with the 1939 surplus on the same basis, it is smaller by only \$75,346.

### Boston, Old Colony Have Potent Report

The new financial statements of Boston and Old Colony show the continued strong financial position of both companies.

If all assets of Boston other than cash, depreciated in value 73.8 percent, the statement would show remaining assets sufficient to cover all outstanding losses and expenses and leave the premium reserve intact. If there were a conflagration or other casualty that cost the company 68.5 percent of its assets or \$17,416,409, the premium reserve would still remain intact.

If all assets of Old Colony other than cash, depreciated in value 80.3 percent, the statement would show remaining assets sufficient to cover all outstanding losses and expenses and leave the premium reserve intact. If there were a conflagration or other casualty that cost the company 77.9 percent of its assets or \$7,975,620, the premium reserve would still remain intact.

The entire invested assets excluding the home office building are invested in United States government bonds and other American securities excepting a small amount invested in government, provincial and municipal bonds and other securities in Canada.

### Fireman's Fund Has Large Gains

Fireman's Fund in its new statement shows assets of \$45,482,000, an increase of \$2,825,000. Capital is \$7,500,000 and net surplus on a market value basis is \$17,779,000, a handsome increase. On the convention basis, net surplus is \$16,954,000, an increase of just about \$1,000,000.

There was an underwriting profit before federal income tax of \$1,611,000, an increase of better than \$200,000. Income from investments was \$1,578,000, compared with \$1,371,000 for 1939.

Premiums of Fireman's Fund amounted to \$18,040,000, a gain of \$2,243,000.

Assets of the affiliated Occidental are \$4,741,000, and surplus to policyholders is \$3,476,000 on a convention basis. At market, assets are \$4,858,000 and surplus to policyholders \$3,593,000. There

## "RESERVES ARE BEING RUSHED..."

According to the accounts in the newspapers, army reserves are not always where they are needed.

An agent of this Company, however, can always count on its reserves being close behind him, amply ready to back him up in his front-line selling.



## PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.

Service Offices located in principal cities.

Complete Nation-wide Insurance Facilities for  
Agents and Brokers





was an underwriting profit of \$87,000. Income from investments was \$149,000. Net premiums were \$1,279,000, an increase of \$138,000.

## Fire Assn. Units Increase Assets

The Fire Association group of Philadelphia showed an increase in assets and premium reserves.

Fire Association shows assets of \$24,808,879, increase \$1,345,036; surplus to policyholders of \$11,919,459 against \$12,214,569. Unearned premium reserve was \$10,907,981, compared with \$9,527,819. Cash was \$2,055,018, against \$2,038,144. Bonds and stocks totaled \$18,938,678, against \$18,014,510.

Lumbermen's shows assets of \$5,454,280 against \$5,233,965 and surplus to policyholders of \$3,380,325 against \$3,436,303. Premium reserve was \$1,733,913 against \$1,519,276. Cash was \$537,511 against \$523,930, and bonds and stocks \$4,487,678 against \$4,231,098.

Reliance had assets of \$4,295,328 against \$4,159,485 and surplus to policyholders \$2,895,338 compared with \$2,928,266. Premium reserve was \$1,124,009 against \$981,130. Cash was \$325,368 against \$480,491 and bonds and stocks \$3,514,248 against \$3,237,821.

Philadelphia National showed assets of \$3,097,164 compared with \$2,997,685 and surplus to policyholders of \$2,286,747 against \$2,304,124. Premium reserve amounted to \$666,350 against \$575,239. Cash was \$410,261 against \$406,372 and bonds and stocks \$2,508,910 compared with \$2,417,073.

## Camden Fire Issues Its 100th Annual Exhibit

Special interest attaches to the new annual statement of Camden Fire because it is the 100th annual report. In its annual statement pamphlet Camden Fire reproduces its first annual report for the year ending Dec. 31, 1840. It was very brief. Premiums were \$147.25, expenses paid \$5.05, losses "None." Cash was \$74.70, premiums unpaid \$21.50 and notes of hand \$46. There were 23 policyholders and the amount at risk was \$23,150.

In its 100th anniversary statement, Camden Fire shows assets of \$13,460,676, an increase of about \$30,000 for the year. Premium reserve was \$5,738,923, capital \$2,000,000 and net surplus \$4,165,051, as compared with \$4,121,087.

Premiums decreased slightly to \$6,188,399, mainly due to the cancellation of some unfavorable accounts. This allowed the company to release some of its premium reserve, which, with the trade profit, constituted an underwriting profit of \$240,089. Investment income amounted to \$518,622 which was a sufficient increase to take care of added taxes and permitted continuation of the dividend rate, which requires \$400,000. Due to the increase in market values of securities, contingency reserve to take care of loss on investments was reduced and practically the same sum was used to increase the conflagration reserve to \$400,000.

## Perrin Standard Fire Director

Vice-President E. J. Perrin, Jr., was added to the directorate by Standard Fire of Hartford. Mr. Perrin is also vice-president of the Automobile.

Mr. Perrin joined Aetna group in February, 1914, and was placed in charge of the underwriting of miscellaneous lines in New York. In 1920 he went to the home office to organize the inland marine department, of which he was made manager. In 1923, he was elected assistant secretary of the Automobile, and in 1926, secretary. He was elected vice-president of that company and Standard Fire in 1929. Mr. Perrin's insurance career began in 1905 with New York Fire.

Mr. Perrin served two terms as president of Inland Marine Underwriting Association and has been prominent in

other marine underwriting associations, including American Institute of Marine Underwriters, United States Aviation Underwriters and Registered Mail Central Bureau.

## Merchants of N. Y. Reports

Merchants Fire of New York in its new statement shows assets \$17,642,284, an increase of about \$140,000. Premium reserve is \$4,226,511, an increase of nearly \$100,000. Premiums were \$4,314,121, as compared with \$4,012,812 the previous year. Loss reserve was \$833,179 as compared to \$447,917. Surplus

to policyholders is \$11,315,988 as contrasted with \$11,516,344.

## Harold S. Poole Is Retiring

Harold S. Poole, who has been in the insurance business 54 years, is retiring from active work. He has been secretary of Home of New York in the eastern department. He was educated at the College of the City of New York and entered the business with Liverpool & London & Globe. In 1904 he went with Home as assistant to the chief clerk in the eastern department and later was made supervisor. In 1919 he

was appointed assistant secretary and in 1921, secretary.

Mr. Poole is a director of Paul Revere Fire of the Home group.

A close student of the business, Mr. Poole from time to time served on committees of such important bodies as the Eastern Underwriters Association, Central Traction & Lighting Bureau, Windstorm Conference, New England Rating Association, New York Fire Insurance Rating Organization, New Jersey Schedule Rating Office and Underwriters Protective Association of Newark. He is conscientious and



## Horse Blinders Don't Make Horse Sense

You're going to see this illustration. It appears in the February 8th issue of *The Saturday Evening Post*. It's another way of indicating what The American Insurance Group has been saying consistently in national advertising.

So many men wear "blinders" when it comes to insurance protection. They fight off the idea of

insurance analysis, for fear it will cost them extra insurance dollars.

This Group has worked out a simple system for selling complete coverage, instead of hit-or-miss policies. It starts with the unique RISK DETECTOR which makes it easy to learn a prospect's insurance needs. It provides a complete plan of insurance protection which

agents use to produce new business and make new friends. We call it: INSURE THE American WAY.

National advertising paves the way for agents of The American Insurance Group. An exclusive merchandising plan is available for these agents to apply locally. If you are interested, write for particulars. Address: The American Insurance Group, Dept. 528, Newark, New Jersey.



INSURE  
THE American WAY

THE American Insurance Group

Newark New Jersey

The American Insurance Company The Jersey Fire Underwriters

The Columbia Fire Insurance Company Dixie Fire Insurance Company

Bankers Indemnity Insurance Company

always enjoyed the confidence of his associates.

### Phoenix Reports on Fine Year

Assets of Phoenix of Hartford now amount to \$65,439,866, increase \$1,249,513. Capital is \$6,000,000 and net surplus \$39,899,623, increase \$237,648.

Assets of Connecticut Fire are \$24,315,076, up \$670,234. Surplus is \$15,208,270, an increase of \$90,241. Equitable F. & M. assets are \$7,529,738, increase \$185,070, surplus \$5,128,463, up \$62,732. Minneapolis F. & M. assets are \$2,652,207 and surplus \$1,355,044. Assets of Central States Fire are \$2,588,198 and surplus \$1,000,671.

Premiums of Phoenix, Connecticut Fire and Equitable Fire were \$17,593,129, an increase of \$2,133,125, or 13.79 percent.

## CHICAGO

### JOHN NORRIS ON SEA DUTY

John Norris of Chicago, who has served for the past several months as special agent in Illinois for Royal Exchange, is now on active duty in the navy. He is an ensign, having gotten his first experience with the ROTC at Northwestern University. He is attached to the cruiser Augusta and is at Mare Island, San Francisco. The Augusta is being reconditioned and will serve as the flagship of the Pacific fleet. Mr. Norris following graduation from college, was connected with the Ohio Inspection Bureau at Cleveland. He is a stepson of John Rygel, secretary in the western department of Hanover. He is 25 years of age.

### NEWCOMB NOW IN CHICAGO

W. E. Newcomb has now assumed his new duties as field assistant at the headquarters of the Western Underwriters Association, Chicago. He and his family have taken residence in Glenview, Ill. Until Mr. Newcomb went to Chicago in connection with his new duties, it was his first visit there. His work previously had all been with Commercial Union, first with headquarters in San Francisco traveling some of the outside territory and then at Los Angeles. About 3½ years ago he was transferred to the mountain field with headquarters at Denver, as state agent.

### ILL. EXAMINER QUILTS POST

Due to the change in administration, Leonard H. Davidson, who has been an examiner for the past four years with the Illinois department, is no longer connected with that bureau. Mr. Davidson lately has been attached to the Chicago office of the department in charge of the pension fund division. He is an attorney with a background in statistics, accounting and claims work. He desires to continue in insurance work.

### COUNTERFEIT MONEY LECTURE

A representative of the United States secret service will lecture and show movies on counterfeit money at the meeting of the Chicago Insurance Accountants Association, March 19.

Fred S. James & Co., Chicago, has received a "certificate of merit" from William H. McGee & Co. for 28 years of cooperation.

## NEW YORK

### ENNIS TO "WALL STREET JOURNAL"

Joseph K. Ennis, well known for many years in insurance advertising circles, has joined the advertising sales staff of the "Wall Street Journal," and will specialize in insurance advertising. He was with the New York "Journal of Commerce" for 18 years, in recent years

in charge of its insurance advertising department.

### McGEHEAN IN NEW YORK POST

Robert J. McGehean has been named executive representative of the "Insurance Field" in charge of advertising in the eastern bureau office, 116 John street, New York.

For the past 10 years Mr. McGehean has represented the "Field" in Dallas, both editorially and as business representative.

Mr. McGehean attended Cincinnati University. He first joined the "Insurance Field" in 1923 after newspaper experience with the Cincinnati "Enquirer" and the Louisville "Courier-Journal."

The Texas Blue Goose at its annual party in Dallas the other day gave Mr. McGehean a send-off.

## LEGISLATION

### Tenn. Governor Pushes Self Insurance Measure

NASHVILLE—In the face of repeated denials by other state officials Governor Cooper has announced his plans to introduce the necessary legislation for self-insurance on all state-owned property. A statement that he favored self insurance appeared in the governor's inaugural address, but representatives of the Tennessee Association of Insurance Agents were led to ignore it. Statements made by Commissioner McCormack and other officials indicate their opposition to self-insurance. The legislature has voted to adjourn Feb. 14, but there is still time to pass a self-insurance measure with the support of the administration. E. H. Crump, insurance agent of Memphis and influential political leader, is certain to be a strong factor in any action taken.

The state has more than \$1,000,000 worth of construction under way and probably as much more to be contracted in 1941.

Minnesota—Township mutuals apparently have lost in their effort to get authority to write inherent explosion coverage on sealed grain on which the federal government has made loans. Before reporting the bill for passage the insurance committee struck out the vital part of the measure. Township mutuals have written considerable fire and wind-storm insurance on sealed grain.

Iowa—A bill requiring radio announcers that "solicit, advertise or announce" insurance copy to obtain an agents' license was introduced in the senate by the insurance committee.

The Hoegh bill in the house gives Iowa courts jurisdiction over unlicensed insurance companies operating in the state.

The senate insurance committee has brought out a measure permitting the insurance commissioner to levy retaliatory taxes on out-of-state reciprocal or inter-insurance exchanges doing business in Iowa at the same rate other states levy upon Iowa companies.

Senator H. S. Love introduced two bills requiring hail assessment associations to use at least 30 percent instead of the present 40 percent assessments for payment of dividends and losses, and to require such associations to show claims in litigation in annual statements.

Nebraska—The governor is expected to ask for an increase from \$3,200 to \$4,500 a year in the insurance director's salary, paying it from department fees rather than from the general fund.

A modified agents' qualification measure has been introduced requiring applicants to fill out a questionnaire and giving the insurance director power to pass on qualifications set forth. Other bills forbid sale by licensed agent of insurance in non-admitted company, permit brokers' licenses to be issued to corporations, requires all complaints against

agents shall be verified; prescribes methods of notice, requires hearings and written findings by insurance director.

A 2 percent gross fire premium tax for firemen relief and for purchase and repair of fire equipment is being sought.

Montana—Representative Rice will introduce a bill to set up a state fire insurance fund of not more than \$100,000 to cover state properties.

Idaho—A new residents agents qualification law has been introduced in the house.

Michigan—A bill has been introduced to broaden coverages permissible to farm fire mutuals to include "riot, riot attending a strike, aircraft, smoke or vehicles." The bill confines business to rural properties and to incorporated towns of not more than 5,500.

Oregon—H. B. 238 provides that ad valorem delinquent taxes shall become a lien upon insurance policies when buildings or personal property have been destroyed by fire.

H. B. 296 provides for foreclosure of deposits with insurance commissioner in the event of insolvency. Policyholders would be compensated on a pro rata basis.

S. B. 138 repeals section 46-140 of the insurance code which prohibits the combination of insurance companies for controlling of rates, commissions and dis-

crimination in certain instances.

H. B. 181 permits all reciprocals to write policies without requiring a year's premium in advance, removing the present \$300,000 surplus requirement.

Ohio—H. B. 449 permits companies doing business in Ohio to reinsure in companies not licensed in Ohio.

H. B. 460 creates a state fire fund for the insuring of buses and other school property.

H. B. 567 charges fire companies for reinsurance premiums received in computing fire marshal's tax.

The Insurance Women of New York will give an insurance-letter-writing course this year, which will stress the importance of the everyday letter in building good will. Miss Louise F. Windle, daughter of the late J. J. Windle, prominent loss adjuster, will give the course.

Charles S. Ashley, 82, prominent agent at New Bedford, Mass., and who had served as mayor of the city 32 years, died of a heart attack. Some years ago the townsmen presented him a gift of \$12,000 in appreciation of his service.

Oscar C. Robbins, 43, of the Harrison agency, Harrison, Me., died following three months illness.



To escape creditors in San Domingo, Vasco Nuñez de Balboa had himself smuggled aboard a vessel bound for South America. The captain threatened to put him ashore, but soon relented, and Balboa became a favorite with the men. After a rebellion, they asked the stowaway to take command. Reaching land, Indians told of another great body of water to the south. Thinking that this might lead him to the rich East Indies, Balboa set out to find it in September, 1513, with 200 of his men and 1,000 Indians. When they reached the "Great South Sea," Balboa plunged in, sword in hand, and claimed possession for the King of Spain. Resolving to explore this ocean, he had his ships in the Atlantic carried across the isthmus to the Pacific. He then set sail and discovered the Pearl Islands. When he returned, a jealous governor had him tried for treason and beheaded.

THE discovery of the Pacific

became a second great link connecting the old world with the new. In the only type of ocean craft then known to mankind, explorers came to settle—building the foundation of a great and powerful nation.

Almost every type of craft known to mankind today—from the huge ocean liner to the small motor boat—can be insured through Appleton & Cox, Inc., well-known specialists in all forms of marine insurance since 1872.

**APPLETON & COX**

INCORPORATED

OCEAN AND INLAND  
MARINE UNDERWRITERS

111 JOHN STREET, NEW YORK  
Branches in Principal Cities



## Warner Issues an Appeal to Aid Service Men

An appeal to all insurance men to be loyal to insurance producers called into the military or naval service, and to guard and conserve their business while they are away, was issued this week by John M. Warner, office broker of Moore, Case, Lyman & Hubbard, Chicago. He is chairman of a special committee of the Insurance Brokers Association of Illinois which is dealing with this subject. He pointed out that the draftees and volunteers are confronted with many personal problems. Their lives and businesses are being disrupted. The united cooperation and assistance of all people in the business is required to help them to become readjusted.

"If our men can be assured that they will not be taken advantage of during their absence and that their interests will be cared for," he said, "they can go to their tasks with lightened hearts and easier minds, while those who respond to this appeal will be making a big contribution to the morale of our defenders."

"It should be our loyal duty to lighten burdens, relieve worries and strengthen morale. We can be a friend to the family and help conserve the business. Again, in the spirit of patriotic cooperation, we can be generous and make sacrifices in disposing of contracts. This represents exactly the spirit of cooperation and support by which civilian America must make itself worthy of the men who serve."

Mr. Warner was instrumental in starting a similar movement in Chicago during the world war. He circulated a petition which was signed by virtually all offices and was bolstered by resolutions adopted by various insurance organizations.

Similarly now the Chicago Board recently adopted a resolution calling on members to do all they could to conserve and protect the service men's insurance business. Similar resolutions were adopted by the Insurance Brokers Association of Illinois, Casualty Managers Association of Chicago and Chicago Association of Life Underwriters. The brokers and life underwriters groups suspended dues of members during their term of service.

## Wisconsin Mutuals Elect; Oppose State Tax on Income

MADISON, WIS.—Daniel Genrich, Wausau, was elected president of the Wisconsin Association of Mutual Insurance Companies, composed of 193 farm mutuals, at its annual meeting here. He succeeds Martin Koehler, West Bloomfield. Howard Sebert, Black Earth, is the new vice-president. J. G. Blank, Cedarburg, was reelected secretary and treasurer. Oshkosh was selected as the 1942 convention city.

Among the speakers at the convention were Mayor Law of Madison, Commissioner Duell, H. P. Hostetter, Mt. Carroll, Ill.; J. P. Kennedy, Sheboygan, Wis.; Charles H. Kennedy, Madison attorney; C. W. Glover, American Mutual Alliance, Chicago, and Harold Wilke, Madison, legislative counsel.

Among the resolutions adopted was one opposing any move to impose a state tax on mutual income. The resolution, however, stated that the association is not opposed to the payment of supervisory fees for periodic examinations of mutuals by the insurance department, which would not exceed one-fourth of 1 percent on current revenue and not more than \$25 in any case on town mutuals.

Total coverage of the Wisconsin Town Mutual Reinsurance has increased to more than \$108,900,000, it was reported by Mr. Kennedy, who is secretary. The organization now includes in its membership 43 town mutuals.

## Erion Slated on James Forum

Continuing the discussion of the relation of insurance and the national de-

fense program, the speaker before the Fred S. James & Co. forum meeting Feb. 20 in the auditorium of the Chicago Board will be Frank L. Erion, head of the Frank L. Erion & Co., independent adjusters. Mr. Erion will talk on "Prospective Earnings." He is widely recognized as an authority on business interruption insurance.

Invitations to the forum are being made to all firms in the Chicago industrial area which have been awarded defense contracts, both as direct contractors and as sub-contractors. The meeting will start at 4 o'clock.

## Would Change Status of Illinois Fire Marshal

Governor Green of Illinois has recommended that a new department of public safety be created that would embrace the fire marshal's office. At present the fire marshal's department is a division of the insurance department. The new department of public safety would also include the state highway police, Illinois state penitentiary, board of pardons and paroles, division of supervision of parolees and the bureau of highway safety and it would

also include a new division of crime prevention.

In other states where the fire marshal's office is linked to the state police, the results have been very satisfactory.

## Simpson Addresses Undertakers

Kyle Simpson, special agent for Conkling, Price & Webb, Chicago, addressed a meeting of the McLean County Undertakers Association in Bloomington, Ill., Monday evening on undertakers liability insurance.

Tick tock, tick tock. Where'd that minute go?

## Agricultural Insurance Company

of Watertown, N.Y.

### ASSETS

Real Estate . . . . .	\$ 332,203.58
Mortgages (1st Liens) . . . . .	1,003,904.85
Bonds and Stocks . . . . .	11,701,101.76
Loans on Collateral . . . . .	11,393.79
Cash in Banks and Office . . . . .	1,102,470.03
Net Uncollected Premiums, not over 90 days . . . . .	1,107,888.25
Other Admitted Assets . . . . .	135,896.24
	<u>\$ 15,394,858.50</u>

### LIABILITIES

Reserve for Unearned Premiums . . . . .	\$ 6,293,183.28
Reserve for Unpaid Losses . . . . .	989,417.56
Dividend Declared and Unpaid . . . . .	120,000.00
Other Reserves and Liabilities . . . . .	317,443.75
Capital . . . . .	\$ 3,000,000.00
Net Surplus . . . . .	4,674,813.91
Surplus to Policyholders . . . . .	7,674,813.91
	<u>\$ 15,394,858.50</u>

Securities carried at \$440,463.11 are deposited as required by law.

## 88<sup>th</sup> ANNUAL STATEMENT

As of December 31, 1940



## Empire State Insurance Company

of Watertown, N.Y.

### ASSETS

Bonds and Stocks . . . . .	\$ 3,498,175.16
Cash in Banks and Office . . . . .	473,730.34
Net Uncollected Premiums, not over 90 days . . . . .	232,984.70
Other Admitted Assets . . . . .	23,579.30
	<u>\$ 4,228,469.50</u>

### LIABILITIES

Reserve for Unearned Premiums . . . . .	\$ 1,329,229.16
Reserve for Unpaid Losses . . . . .	271,981.63
Other Reserves and Liabilities . . . . .	85,100.00
Capital . . . . .	\$ 1,000,000.00
Net Surplus . . . . .	1,542,158.71
Surplus to Policyholders . . . . .	2,542,158.71
	<u>\$ 4,228,469.50</u>

Securities carried at \$288,946.61 are deposited as required by law.

## 13<sup>th</sup> ANNUAL STATEMENT

As of December 31, 1940



## Bitter Fight in Ind. Over Bill on County Mutuals

INDIANAPOLIS—Local agents of Indiana and the casualty companies of this state are aroused and are taking a militant position against house bill 87 which is pending before the insurance committee of the Indiana house. According to its sponsors that include some of the larger farm mutuals in Indiana, the bill is an attempt to recodify the farm mutual insurance acts in Indiana. The opponents assert that if this bill were enacted, a farm mutual company could engage in all lines of fire insurance and practically all lines of casualty, including P. L. on automobile and workmen's compensation.

In support of that contention they cite a section of the bill which authorizes farm mutuals to write insurance against "falling or moving bodies or vehicles" and another which would authorize such companies to write any risk covered in their articles and not prohibited to fire and windstorm companies. A fire company organized in Indiana can write P. L. on automobiles and opponents of the bill state that the measure is so vaguely worded that it would authorize farm mutuals to write automobile P. L. and compensation. Amendments have been offered to the bill, but the opponents state that the sponsors of the bill have not yet stated specifically what coverages they propose to write.

### Reserve Requirement Nil

The opponents state that under this bill, the farm mutuals would not be required to maintain any reserve and practically no regulation by the insurance department is authorized. The measure provides for a safety fund but, according to the opponents, there is no qualification on what such a fund would comprise. The bill provides for filing of annual reports, but according to the opponents, the insurance department is given little regulation over such companies.

The Indiana casualty companies feel that if this bill were enacted farmers mutuals without regulation, could invade the automobile insurance field in the cities as well as in the country.

The Indiana Association of Insurance Agents has prepared a brief in regard to the bill. The brief sets out that the bill endeavors to extend the scope and power of such companies without adding any regulatory measures. There are some 70 or 80 county farm mutuals now operating in Indiana, the brief states. Their business was to insure only farm property for fire and windstorm and being very local they have been left alone to run their own affairs. In the Indiana insurance code of 1935, at the request of these companies, the mutuals were exempted from its provisions. It was agreed at the time that except for these local county mutuals, no insurer ever would be allowed again to operate in Indiana without following strict and equitable limitations, supervised fully by the insurance department.

If the bill were enacted, the brief states, the door would be opened for the operation of statewide companies to operate not only as fire insurers, but to engage in casualty and surety business without maintaining one cent as reserves.

The brief contends that as a matter of fact the measure would work a disadvantage on the farm mutuals that desire to retain their local character.

Harry Cooper, secretary of the National Association of Mutual Insurance Companies, is credited with being the author of the bill.

### Is Now the "Agents' Forum"

Shirley E. Moisant's "Association News" of Kankakee, Ill., is now the "Agents' Forum," a more appropriate name. Mr. Moisant started the paper in 1923 when he was secretary of the Illinois Association of Insurance Agents and the chief factor in its management.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Feb. 10, 1941.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	4.50*	125	131
Aetna Fire ....	10	1.80*	51	53
Aetna Life ....	10	1.40*	27 1/2	29
Amer. Alliance ..	10	1.20*	22	24
Amer. Equitable ..	5	1.00	19 1/2	21
Amer. Home ....	10	...	5 1/2	6 1/2
Amer. (N. J.) ..	2.50	.60*	12 1/2	13 1/2
Amer. Surety ....	25	2.50*	48	50
Automobile ....	10	1.40*	37	39
Balt. Amer. ....	2.50	.40*	7 1/2	8 1/2
Bankers & Ship. ..	25	5.00	98	102
Boston ....	100	21.00*	623	630
Camden Fire ....	5	1.00	21	23
Carolina ....	10	1.30	28 1/2	30
Contl. Cas. ....	5	1.50*	34	36
Contl. N. Y. ....	2.50	2.00*	36	38
Fidelity-Phen. ....	2.50	2.00*	36	38
Fire Assn. ....	10	2.50*	66 1/2	68 1/2
Firemen's (N.J.) ..	5	.40	10	11
Franklin Fire ....	5	1.40*	30	32
Gen. Reinsur. ....	5	2.00	38 1/2	40
Georgia Home ....	10	1.20*	24	27
Glens Falls ....	5	1.60	43 1/2	45 1/2
Globe & Repub. ....	5	.50	9 1/2	10 1/2
Gt. Amer. Fire ..	5	1.20*	26	27 1/2
Gt. Amer. Ind. ....	1	.20	9 1/2	10 1/2
Halifax ....	10	1.00*	11	12
Hanover Fire ....	10	1.20	25 1/2	27
Hartford Fire ....	10	2.50*	83 1/2	86
Home Fire Sec. ....	10	...	2	2 1/2
Home (N. Y.) ..	5	1.60*	31	33
Ins. Co. of N. A. ..	10	3.00*	70	72
Maryland Cas. ....	1	...	2 1/2	3 1/2
Mass. Bonding. ....	12.50	3.50	63 1/2	66 1/2
Mer. (N.Y.) Com. ....	5	2.00*	47	50
Natl. Cas. ....	10	1.00	25 1/2	27 1/2
Natl. Fire ....	10	2.00	59	61
Natl. Liberty ....	2	.40	8	8 1/2
Natl. Un. Fire ....	20	5.00*	147	152
New Amst. Cas. ....	2	.77 1/2	17	18
New Hampshire ....	10	1.80*	45	47
Northern (N.Y.) ..	12.50	5.00*	100	103
North River ....	2.50	1.00	24 1/2	26 1/2
Ohio Cas. ....	5	1.20*	36	38
Phoenix, Conn. ....	10	3.00*	83 1/2	86
Preferred Accl. ....	5	.80	13	14
Prov. Wash. ....	10	1.40*	34	36
St. Paul F. & M. ....	62.50	8.00	250	258
Security, Conn. ....	10	1.40	34	36
Sprgfd. F. & M. ....	25	4.75*	121	125
Standard Accl. ....	10	2.50	47 1/2	48 1/2
Travelers ....	100	16.00	405	420
U. S. Fire ....	4	2.00	48 1/2	50 1/2
U. S. F. & G. ....	2	1.00	22	24

\*Includes extra. \*\*Canadian funds.

### Security of New Haven Has "Streamlined" Policy

A "streamlined" policy with the new company trademark done in three colors is being distributed to agents of Security Fire of New Haven in connection with the 100th anniversary celebration.

In a letter to agents, written for the first time on a newly designed letterhead printed in "Security blue," Peter J. Berry, president, emphasizes the company's use of the "new package" idea.

"We know that fundamentally it is our duty to furnish unquestioned indemnity to our policyholders, and this we have successfully done for one hundred years," he said. "But we also recognize that times have changed. If you and we are to keep step with the present scheme of things, we must furnish you with a more attractive looking 'package' for our policyholders."

"This idea of developing a package which is attractive to the eye is not new, for it has been carried on by many successful firms in merchandising their products. But as far as we know, no general attempt has been made to do it in the fire insurance business. However, I see no reason why it should not apply in our case with equal force. It is with this thought in mind that we are presenting to you this new policy. Your comments on it will be appreciated."

"Within a short time we are also sending you what we consider to be a most beautiful picture, in color, of our new symbol, so that you may hang it up in your office. It has no advertising on it, but is purely a work of art."

### Hawley on Minn. Program

ST. PAUL—Louis H. Hawley of Newhouse & Sayre, Chicago, will talk on marine insurance at the mid-year meeting of the Minnesota Association of Insurance Agents March 5-6. Prof. J. O. Christasson, superintendent of the Minnesota School of Agriculture, also will speak.



## INITIATIVE and INTEGRITY

... such is the symbolism of great men. Their lives and deeds—dedicated to the security and advancement of America—have given us the heritage we enjoy today.

... And such is the symbolism, too, of the Hanover and the Fulton. Indicative of the Companies' spirit of friendly cooperation are the timely services and facilities offered both underwriting and business-building-wise. Indicative of strength and dependability is their record of meeting every obligation promptly and equitably.

Thus, today, Hanover-Fulton service and security offer aggressive agents a timely, worthwhile opportunity to increase and diversify their business locally.

The  
**HANOVER FIRE INSURANCE COMPANY**  
of New York

The  
**FULTON FIRE INSURANCE COMPANY**  
New York



Organized, New York—1852

Like the  
Sterling Mark  
on Silver



Organized, New York—1929

## NEWS OF FIELD MEN

### Hague-Rogers Heads Ohio Speakers

COLUMBUS—The Ohio Stock Fire Insurance Speakers Association at its annual meeting here elected D. P. Hague-Rogers, Eagle Star, president; C. Lamb, Automobile, vice-president; J. W. DeCessna, Queen, secretary, and T. A. MacLean, National Union, treasurer.

T. J. Ocasek, Underwriters Service Association, retiring president, pointed



T. J. OCASEK

out the splendid progress made the last year. He cited improved relations with many local agents' associations on a highly educational plane. The group also addressed many business organizations, with 38 presentations made to several thousand people, which did not include the work in the north end of the state, nor the many fire prevention speeches.

Considerable publicity was given to the club for the entertaining skit type of program used so successfully in Ohio. Considerable space also was given the club's general activities. A central speakers' library has been arranged and the groundwork has been laid for the interchange of material with other states.

Mr. Ocasek pointed out that the average attendance has grown considerably. Groups of field men in the Cincinnati and Cleveland territories are now cooperating extensively in the public relations work. He thanked executives of the companies who have shown interest in this program and allowed their field force to devote some time to this work.

He presented the club an ebony and sterling silver sounding block and gavel on which were engraved the past presidents' names, with space for future presidents.

### Firemen's Makes Changes in Illinois and Michigan

The Firemen's group has made a number of important changes in the Illinois and Michigan fields.

Leslie E. Whaling, who has been located at Rockford, Ill., as special agent, has now been transferred to Springfield as state agent for Milwaukee Mechanics in central and southern Illinois. In his new position he succeeds Donald B. Davidson, who has been transferred to Jackson, Mich., as state agent for Firemen's and Keystone Underwriters in the lower part of the state outside of Wayne county.

The transfer of Mr. Davidson to Michigan constitutes part of a general rearrangement of the Michigan field,

whereby F. W. Buschlen, who has been special agent for the group, becomes state agent for Concordia and National-Ben Franklin in lower Michigan, outside of Wayne County and C. B. Herrick becomes state agent for Milwaukee Mechanics and Pittsburgh Underwriters in the same territory. Messrs. Davidson, Buschlen and Herrick will have their headquarters in the Peoples National building at Jackson.

Kenneth J. Scott, who at one time was Wayne county special agent for the group and who left the organization a few years ago to join Standard Fire of New York as Michigan state agent, has now returned to Firemen's and has been appointed state agent for Girard in lower Michigan including Wayne county with headquarters in the Penobscot building, Detroit.

Each of these field men will supervise Commercial Casualty and Metropolitan Casualty in the agencies under their jurisdiction.

### Burton Transfers to N. C.

C. J. Burton, special agent for Louis E. English, Inc., general agents at Richmond, Va., has moved his headquarters

from Richmond to Winston-Salem, N. C. Mr. Burton has been connected with English 14 years and has been traveling North Carolina for three years.

### National Fire Has New Agency Superintendent

C. L. Zook, state agent in Michigan for National Fire, has been appointed an agency superintendent of the western department in Chicago.

Mr. Zook was born in Kansas, was graduated from Baker University at Baldwin, Kan., and later took additional courses at Washburn College in Topeka, and at Kansas University in Lawrence. In 1925, he entered a local agency in Ottawa, Kan., and went to the National Fire as a special agent in Kansas in 1926. In 1935, he was transferred to Michigan as special agent and was appointed state agent in 1936.

Oscar A. Ogden will succeed Mr.

Zook as Michigan state agent. Mr. Ogden was born in Ohio, attended Ohio State University, and in 1923 entered the employ of the Ohio Inspection Bureau. He joined National Fire in 1924 as special agent in Ohio where he has traveled the Cincinnati territory and has made an outstanding record.

### Carson Educational Chief

R. C. Walker, L. & L. & G., president Indiana Fire Underwriters Association, announces the appointment of E. P. Carson, Continental, as chairman of the educational committee, due to the resignation as chairman of Don G. Kaga, Royal Exchange. Mr. Kaga has served two years as chairman but additional duties in his field work are requiring more of his time. Mr. Carson has been a member of the committee for two years. The committee has secured as the next speaker Feb. 24, M. E. Bulske, chief inspector of the National Inspection Company.

### Louisiana Annual Meet March 26

The annual meeting of the Louisiana Blue Goose will be held at Monroe, March 26. In the morning there will be a golf tournament, with a special match between Louisiana and Mississippi ponds, and the business meeting at 5 p. m., followed by a showing of techni-



## CARDOX News

NEWS OF MODERN FIRE EXTINGUISHMENT FOR FIRE AGENTS AND BROKERS

### Significant Advantages of the Cardox System

1. Piping installations tremendously simplified.
2. A single discharge nozzle of high capacity provides ample protection for the average large room.
3. System is engineered for complete fire protection layouts to employ every manual or automatic device and insure extinguishment of any blaze in its incipient stage before extensive damage occurs.
4. Complete freedom from damage by the extinguishing medium.
5. Centralized storage of CO<sub>2</sub> in unlimited quantities (125 Tons is the largest installation to date) for release through any branch of the system—serving all hazards.
6. Cardox Systems easily extended to additional hazards as plant expands.

## GREAT AIRPLANE ENGINE PLANT HAS COMPLETE FIRE PROTECTION WITH BIG TANK OF CARBON DIOXIDE

### Speeds Engine Testing and Adds Security with Modern Cardox Method

The very latest layout and construction features of the newest mid-West airplane engine plant include also a Cardox installation which affords maximum fire protection. This method of storing and distributing much greater quantities of CO<sub>2</sub> than were ever possible before, employs a centralized tank of patented design. It maintains at all times six tons of this inert gas which has such a remark-

able extinguishing and cooling effect on fire. A release rate of 200 lbs. or more a second is characteristic of Cardox.

### Invaluable in Gas Engine Tests

Each test-block cell in this plant has Cardox protection against oil and gasoline fires from engines overheating under test. This remarkable application of Cardox was thoroughly proved by tests at a Government airfield where test-block conditions were duplicated — or, rather, extreme conditions were set up. Raw aviation gas was piped at 10-gallons a minute to hot engines and oil-soaked wood flooring.

The resulting fire was both quick and violent, yet in 60 seconds, Cardox completed an extinguishment job in which not even smoldering sparks were found in the charred wood of the platform. Temperature dropped from 1000° F. to below zero, preventing re-ignition. The remarkable performance of this system for releasing carbon dioxide in great volume promises freedom from test-block fires and consequently faster engine production.

### All Essential Facts on CARDOX Assembled in this 24-page Manual

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color movies of the Sugar Bowl game, with a dance in the evening. Agents attending the annual meeting of the Louisiana Association of Insurance Agents will be guests at the dance and other entertainment.

#### Indiana Valentine Dinner-Dance

The annual Valentine dinner-dance of the Indiana Blue Goose will be held Saturday evening in Indianapolis. There will be no set talks and the evening, following the dinner, will be given over to dancing and bridge. The Indiana pond glee club will render several numbers. J. W. Besterman, Employers Fire, most loyal gander, will preside. Don G. Kaga, Royal Exchange, is chairman of arrangements.

#### Speakers Group in Portland

The speakers committee of the Oregon division, Special Agents Association of the Pacific Northwest, is continuing its Monday evening meetings, developing the oratorical talent of field men through a recording device. Wayland A. Dunham, Swett & Crawford, is committee chairman.

#### Johnston to Northern, N. Y.

J. B. Johnston has resigned as special agent of the Standard of New York in Michigan to become special agent of the Northern of New York, assisting State Agent L. H. Clark, who was advanced from special agent following the death of J. W. Beck.

#### Iowa Bureau Club Elects

The Iowa Fire Underwriters Field Club (bureau) at its annual meeting in Des Moines elected these officers: President, Harry A. Houghton, Boone, state agent Firemen's, reelected for the fourth term; secretary, O. R. Besch, Des Moines, also with the Firemen's.

#### Mountain Field Club Meets

DENVER—At the Mountain Field Club meeting C. F. Schoelzel of the Van Schaack Co. spoke on agents qualification legislation. There were 48 present. The agents advisory committee is formulating plans for the May meeting at Colorado Springs. Tentative arrangements are also being discussed regarding a meeting in October as guests of the Navajo puddle of the Blue Goose at Albuquerque, N. M.

#### Buchholz with General Agency

William M. Buchholz has been appointed special agent for the Wilson & Booser general agency of Jacksonville with headquarters in Miami. For the past 4½ years he has been connected with the Miami office of the Florida Inspection & Rating Bureau. His office will be in the Seybold building.

#### Hill Talks to Pa. Field Club

Carlyle H. Hill, manager of the Middle Department Rating Association, will be guest speaker at the regular monthly meeting of the Pennsylvania Field Club, Harrisburg, Feb. 17. He will discuss the new rating schedules and also activities of the association of immediate interest to members.

#### Plan Ohio Inspections

The Ohio Fire Prevention Association will inspect Barberton March 13, Cambridge March 26 and Mansfield April 23. H. K. Rogers, Western Actuarial Bureau, Chicago, will speak at Barberton and J. Burr Taylor at Cambridge.

#### Many Notables in Wichita

The mid-winter dinner-dance-bridge of the Sunflower (Wichita) Blue Goose puddle was well attended. Guests included J. Y. Dickerson, Firemen's, most loyal gander, Topeka; H. J. Schoeppe, Commercial Union, from the Minnesota pond, and Elmer C. Dice, St. Paul F. & M., from the Oklahoma pond.

M. E. Butler, North America big toad, presided and introduced the most

loyal gander, W. F. Ehret deputy most loyal gander, and visiting ganders, officers of the puddle and women's auxiliary, including President Ann Higbee, who made a brief response.

Kansas rule book revisions, effective Feb. 10, will be discussed at the Feb. 17 meeting by G. M. Montgomery, Western Adjustment, and E. B. Fergus, Kansas Inspection Bureau.

#### Oxley to Sacramento

Weldon Oxley, metropolitan manager for the Springfield Fire & Marine in San Francisco and active in Blue Goose affairs, has been transferred to Sacramento, Cal., to succeed John T. Breckon as special agent. Mr. Breckon resigned recently to succeed H. P. North as assistant director of the Business Development Office in charge of Pacific Coast operations.

#### Kansas Bowling Tournament

The Kansas Blue Goose is holding a bowling tournament in Topeka with four teams, the "Keepers," captained by E. A. Fikes, Home; "Guardians" headed by Carl E. Smith, Royal Exchange; "Wielders," with N. K. Nelson, Great American, in charge, and "Ganders," with Bob Hauck, North British, at the helm.

#### Erickson with Western Companies

John R. Erickson has been appointed special agent of the Western companies of Fort Scott for eastern Kansas with headquarters at the home office. Clifford Gordon, Jr., is covering western Kansas from Wichita.

#### Colorado Pond Record Initiation

DENVER—The banquet and dance of the Colorado Blue Goose featured the induction of a record number of candidates, including Commissioner Kavanaugh.

#### Local Agent to Field Work

KANSAS CITY—Dale M. Estell, local agent at Joplin, Mo., for a number of years, has been appointed state agent for Kansas and placed in charge of the Topeka office of Garrett, Inc., general agents headquartered here. Mr. Estell succeeds Charles Luling, now in charge of Garrett's Dallas office.

#### NEWS BRIEFS

Adrian Lindsay, Kansas state agent Kansas City Fire & Marine and former football coach at the University of Kansas, has been called into army service at Camp Robinson, Ark., with the rank of major.

Sunflower Blue Goose puddle, Wichita, was shown a technicolor movie furnished by the General Electric Company at its luncheon meeting Monday.

R. S. Walsh, Indiana special agent of Crum & Forster, who has been ill since the first of the year, has returned to his home from the hospital and is making improvement.

The Wichita Blue Goose Auxiliary held its monthly luncheon-bridge Feb. 12, with Mmes. Van B. Higbee, Hugh Knisley and George Hampton as hostesses.

R. A. Timmermans, special agent of the Great American, was introduced at the Iowa Blue Goose meeting by Fred Brake, Iowa state agent.

Gene Glahn, for some years manager of the Manley Agency, Lawrence, Kan., died after a month's illness. He was especially active in the Kansas Association of Insurance Agents. He handled local arrangements for the first Kansas insurance school in his city last June

and was recently renamed on the educational committee. A graduate of the University of Kansas, he was a sport enthusiast and one of the original members of the K. U. Relays Club.

W. L. Gardner, Kansas state agent of the National, has been released from Wichita Hospital following three weeks' confinement fighting an attack of the "flu."

J. R. Claypool, America Fore, president Tennessee Fire Prevention Association, headed the inspection of Brownsville.

The Kentucky Fire Prevention Association will inspect LaGrange Feb. 18.

#### United States Fire Shows Substantial Increases

United States Fire in its new annual statement, shows assets of \$35,023,223, which is an increase of \$478,000.

Total liabilities are \$13,453,729 and that figure is exceeded by nearly \$3,000,000 in the amount of government bonds and cash.

Premium reserve is \$10,723,799, an increase of \$505,933. The loss reserves are \$2,049,037, which is an increase of about \$500,000. Premium income increased during 1940 by \$978,858, amounting to \$11,125,352. Policyholders' surplus is \$21,569,494.

#### New Rider Covers Freezing and Smothering of Animals

DES MOINES—The Iowa department has given approval to the use by stock companies of an endorsement to the farm windstorm policy whereunder the wind and hail coverage on horses, mules, cattle and sheep is extended to cover loss or damage by freezing or smothering in blizzards or snowstorms. Promulgation of this rider is an aftermath of the Armistice Day blizzard. There has been some confusion as to the liability for certain losses where animals met death by suffocation.

The stock companies denied liability where death occurred from suffocation, but one of the mutual groups assumed liability. That caused pressure to be brought upon the stock companies and the question of liability is now being reviewed. In order to avoid misunderstanding in the future, the stock companies decided to bring out this new endorsement and it is understood that an effort will now be made to sell it throughout the state.

On the cash plan, the rate for the endorsement is 10 cents for one year, 20 cents for three years and 30 cents for five years. The rate is 35 cents on the short installment plan and 40 cents on the five year long installment plan.



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## EXPERIENCE IN 1940 BY LINES

AETNA FIRE		
	Net prems.	Pd. losses
Fire .....	\$12,382,995	\$5,369,143
Tornado-windstorm .....	693,422	318,361
Sprinkler leakage .....	46,308	15,888
Riot and explosion .....	118,275	9,212
Earthquake .....	35,399	808
Hail .....	405,829	120,340
Motor vehicle .....	5,770,727	2,868,304
Ocean marine .....	2,149,587	585,673
Inland marine .....	1,677,185	625,909
Aircraft .....	85,809	30,644
Extended coverage .....	866,744	232,251
Rain .....	18,436	7,085

AMERICAN AUTO FIRE		
Motor vehicle .....	\$4,059,882	\$1,437,918

AMERICAN DRUGGISTS FIRE		
Fire .....	\$392,225	\$163,675
Tornado-windstorm .....		
Extended coverage .....	6,764	3,952

AMERICAN MOTORISTS FIRE		
	Net prems.	Losses pd.
Motor vehicle .....	\$1,354	\$50

BRITISH & FOREIGN MARINE		
Ocean marine .....	\$1,351,091	\$438,504
Inland marine .....	37,777	6,322

BUCKEYE UNION FIRE		
Fire .....	\$121,976	\$37,184
Tornado-windstorm .....	32,237	6,707
Motor vehicle .....	36,589	6,193
Inland marine .....	2,078	119
Extended coverage .....	9,006	1,864

CHARTER OAK FIRE		
Fire .....	\$517,371	
Tornado-windstorm .....	23,773	
Sprinkler leakage .....	1,701	
Riot and explosion .....	4,422	
Earthquake .....	2,019	
Inland marine .....	47,353	
Aircraft .....	710	
Extended coverage .....	45,948	

EAGLE STAR		
Fire .....	\$1,175,928	\$674,360
Tornado-windstorm .....	51,861	30,119
Sprinkler leakage .....	4,519	6,398
Riot and explosion .....	8,932	517
Earthquake .....	7,056	5
Hail .....	4,849	2,175
Motor vehicle .....	255,484	103,062
Ocean marine .....	954,058	239,101
Inland marine .....	94,188	41,583
Aircraft .....	26	
Rain .....	10,210	3,117
Extended coverage .....	92,214	21,675

EQUITABLE FIRE, S. C.		
Fire .....	\$227,738	\$12,248
Tornado-windstorm .....	6,832	24,563
Sprinkler leakage .....	137	
Riot and explosion .....	608	
Earthquake .....	837	
Motor vehicle .....	1	
Extended coverage .....	11,930	18,155

FIRST NATIONAL		
Fire .....	\$441,995	\$46,862
Tornado-windstorm .....	22,245	7,250
Riot and explosion .....	138	
Motor vehicle .....	232,961	60,077
Inland marine .....	542	110
Extended coverage .....	52,550	8,401

GENERAL, AMERICA		
Fire .....	\$4,942,963	\$1,754,596
Tornado-windstorm .....	194,392	131,392
Sprinkler leakage .....	15,409	2,020
Riot and explosion .....	20,951	4,261
Earthquake .....	14,053	45
Motor vehicle .....	1,857,997	734,788
Inland marine .....	590,024	163,601
Extended coverage .....	617,970	168,271

INTER-OCEAN REINSURANCE		
Fire .....	\$1,806,832	\$821,836
Tornado-windstorm .....	237,937	58,707
Sprinkler leakage .....	4,621	1,734
Riot and explosion .....	9,250	1,378
Earthquake .....	22,011	
Hail .....	79,482	12,311
Motor vehicle .....	433,655	212,491
Inland marine .....	181,699	371
Other lines .....	143,462	11,475

MARITIME		
Ocean marine .....	\$367,498	\$100,978
Inland marine .....	5,438	397

NATL. SURETY MARINE		
Fire .....	\$179	
Tornado-windstorm .....	85	
Inland marine .....	31,726	\$1,712

OCEAN MARINE		
Ocean marine .....	\$357,106	\$89,143
Inland marine .....	2,842	2,198

OLD DOMINION FIRE		
Fire .....	\$25,231	\$11,751
Motor vehicle .....	6,964	3,886
Extended coverage .....	273	16

PIEDMONT FIRE		
Fire .....	\$669,671	\$263,842
Tornado-windstorm .....	24,698	14,769
Sprinkler leakage .....	2,125	481
Riot and explosion .....	2,513	48
Earthquake .....	2,883	
Hail .....	41,273	5,805
Motor vehicle .....	454,693	259,097
Ocean marine .....	25,959	6,885
Inland marine .....	56,997	29,018
Aircraft .....	71	
Extended coverage .....	51,804	9,127
Rain .....	881	950

PIONEER EQUITABLE, IND.		
	Net prems.	Pd. losses
Fire .....	\$65,473	\$26,296
Tornado-windstorm .....	7,164	10,525
Extended coverage .....	13,377	6,485
Motor vehicle .....	1,022	11

RELIANCE MARINE		
Ocean marine .....	\$350,626	\$95,106
Inland marine .....	2,725	2,198

REPUBLIC, TEX.		
Fire .....	\$2,217,353	\$653,705
Tornado-windstorm .....	133,497	98,527
Sprinkler leakage .....	1,022	241
Riot and explosion .....	17,477	1,455
Earthquake .....	6,909	226
Motor vehicle .....	297,232	46,626
Extended coverage .....	329,528	76,726

ROCKY MOUNTAIN FIRE		
Fire .....	\$74,812	\$30,033
Tornado-windstorm .....	4,062	3,806
Riot and explosion .....	3	
Earthquake .....	54	
Hail .....	4,669	765
Motor vehicle .....	8,973	3,891
Inland marine .....	39	
Extended coverage .....	3,216	1,243

SELECTED RISKS FIRE		
Fire .....	\$9,532	\$1,724
Motor vehicle .....	76,943	21,191

STATE FARM FIRE		
Fire .....	\$303,951	\$116,290
Tornado-windstorm .....	9,642	4,874
Sprinkler leakage .....	24	
Earthquake .....	52	
Hail .....	77,580	18,281
Motor vehicle .....	62,370	17,397
Inland marine .....	7,604	5,631
Other lines, supp. ....	64,096	15,780

THAMES & MERSEY MARINE		
Ocean marine .....	\$1,242,151	\$315,725
Inland marine .....	43,164	9,163

TRAVELERS FIRE		
Fire .....	\$7,594,164	\$3,130,798
Tornado-windstorm .....	173,685	98,840
Sprinkler leakage .....	24,080	17,866
Riot and explosion .....	83,192	2,729
Earthquake .....	23,301	711
Motor vehicle .....	4,136,753	1,433,134
Inland marine .....	1,303,065	325,097
Aircraft .....	43,421	15,206
Extended coverage .....	792,475	107,774

WEST AMERICAN		
Motor vehicle .....	\$1,258,116	\$524,082

WORLD F. & M.		
Fire .....	\$880,665	\$401,861
Tornado-windstorm .....	26,886	16,602
Sprinkler leakage .....	3,482	3,786
Riot and explosion .....	15,244	563
Earthquake .....	1,340	
Hail .....	148,568	47,076
Motor vehicle .....	478,006	245,805
Ocean marine .....	105,269	38,302
Inland marine .....	115,303	52,750
Aircraft .....	161	14
Extended coverage .....	59,570	17,928
Rain .....	2,676	2,090

## North River New Statement

Assets of North River of the Crum & Forster group amount to \$23,262,802. The holdings of cash and government bonds are greater by 30 percent than all liabilities except capital. Premium reserve is \$6,444,499 and surplus to policyholders is \$15,167,984.

## Discuss Texas Legislation

SAN ANTONIO, TEX.—At a meeting of the San Antonio Insurance Exchange, a bill before the Texas legislature, which proposes to give the Texas insurance commissioner power to determine the amount of commission to be paid agents, was discussed. Secretary F. F. Ludolph also called attention to a bill, now under consideration, which would make the employer liable when the company carrying the risk becomes insolvent.

Mr. Ludolph said the exchange advertising has been planned along educational lines which feature the different types of insurance, running through May 20. He invited suggestions from members as to further development of the advertising plans.

## WANTED

Fire Protection Engineer Wanted. Graduate engineer having sprinkler inspection experience. Address M-83, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

## Great American Reserves Are Substantially Higher

Assets of Great American now amount to \$50,180,879, an increase of \$217,237 for the year. Premium reserve increased by \$537,415 and now amounts to \$13,674,295. Loss reserve increased by about \$280,000. Capital is \$8,150,000 and net surplus \$25,193,121. Due to the reserve demands, surplus was less by \$488,183 than at the end of the previous year.

Assets of American Alliance amounted to \$8,789,483, a slight increase. Premium reserve was \$1,972,918, an increase of about \$63,000. Capital is \$3,000,000 and net surplus \$3,404,058, as compared with \$3,513,926.

Assets of Rochester American are \$4,056,957, premium reserve \$855,568, capital \$1,000,000 and net surplus \$2,063,895.

## Hale Named Assistant Secretary

E. S. Hale, loss department manager of the fire companies of the American of Newark group was elected assistant secretary of the American at a directors meeting. He was born in North Carolina, educated at Duke University, and University of North Carolina. Following war service he went with the

New York office of the General Adjustment Bureau, later being assigned to the Baltimore office, and then made manager at Salisbury, Md. In 1941 he began the practice of law in West Virginia, then conducted an independent adjustment office in Bluefield, W. Va. In 1933 he went with the Fire Companies Adjustment Bureau as manager of the Bluefield and Beckley, W. Va., offices and went with American in 1940.

## Ohio Mutual Field Men Elect

The Mutual Insurance Field Club of Ohio, meeting at Columbus, elected the following officers: President, C. O. Garver, state agent Pawtucket Mutual Fire; vice-president, D. A. Walters, Ohio manager of American Motorists and Lumbermen's Mutual Casualty; secretary-treasurer, T. K. Mathers, state agent Auto-Owners Mutual, (re-elected). E. O. Trenary, Celina Mutual Companies, replaces J. H. Rohrer, Guarantee Mutual Fire, on the executive committee.

Mr. Garver is celebrating his 35th year in insurance. He succeeds D. L. Wentz of Shelby Mutual Plate Glass & Casualty.

Accident & Health Week comes March 24-29. Stage a drive. Write your company for promotional material.



where the need for plate glass insurance is emphatically brought home to others.

The Phoenix-London agent keeps in close touch with glaziers. As soon as a break occurs, he loses no time soliciting all adjacent stores and offices.

Owners and occupants are in a receptive mood at such a time, and the agent's efforts meet with less sales resistance. The agent also has taken advantage of an opportunity to please his prospects with Phoenix-London service—a big help in securing other lines.



**PHOENIX-LONDON Group**  
55 FIFTH AVENUE, NEW YORK CITY

**FIRE COMPANIES**  
Phoenix Assurance Co., Ltd.  
Imperial Assurance Company  
Columbia Insurance Company  
United Firemen's Insurance Co.

The Union Marine & General Insurance Co., Ltd.  
**CASUALTY COMPANIES**  
London Guarantee & Accident Co., Ltd.  
Phoenix Indemnity Company

## EDITORIAL COMMENT

### Montana Agents Seek Relief

MONTANA has a resident agents and countersignature law that has been upheld by the U. S. Supreme Court. It gives to the countersigning resident agent all the commission even if no service whatever is rendered.

We are in utmost sympathy with resident local agents that endeavor to hold their business. They see risk after risk going to nonresident agents and brokers in large centers where the financial or executive control of so many far flung properties are located. One by one the locally owned business risks are being gobbled up by a large corporation.

These owner corporations desire quite naturally to centralize control. They want first hand knowledge of their operations. They register values at various points at the executive headquarters. They find it necessary to handle their insurance for the most part at their headquarters and they desire to deal with one insurance house fully equipped to meet all needs. To handle their insurance at various local points where their property is located, they contend is unbusiness like and unsatisfactory.

The resident agent license law should never have been coupled with countersignature legislation. We want all policies issued in states to be signed by a resident agent. As to what limitations should be placed about countersigning policies is another matter.

Agents in their effort to force business to be handled locally and to defeat outside invasion used pressure to get countersignature laws and then went a step farther, endeavoring to have the percentage of commission for the resident agent fixed. The extreme is seen in the Montana statute where the entire amount goes to the countersigning

agent. Thus artificial barriers are placed about states preventing the free flow of insurance. They are defeating their ends in many respects.

When confronted with an economic and business condition that is sweeping and can not be stopped, our best judgment compels us to adjust ourselves to it. Concerns that pay premiums care little for trade controversies in insurance. They want their insurance handled in the most convenient, satisfactory, economical way to them as they are paying the freight.

In Montana, assured are dealing with unadmitted companies or having their properties covered in other ways where the resident agents are thus being deprived of any commission. The policyholders have discovered that there is more than one way to skin a cat.

It has been our contention all along that nothing is gained by endeavoring to thwart a business, commercial or economic law. The resident agent is entitled to a countersignature commission. The amount should be decided by private contract between the two parties. There are various degrees of service required of the resident agent and he should be compensated accordingly. The proposed Montana law establishes a minimum of 5 percent for countersignature.

Before these laws result in more and more business being entirely eliminated from resident agency channels where at least part of the commission is saved, it seems to us that an attempt should be made to separate the two features—resident agency license and countersignature provisions and allow the latter to be decided by the two interested parties.

### Combating Compulsory Insurance

PERHAPS, the most difficult bill to defeat in a legislature is one establishing compulsory automobile personal liability and property damage insurance because of its humanitarian appeal. It comes within the realm of social justice. People are much inclined to favor legislation of this character largely because it concerns the underprivileged. The public mind is receptive to measures that try to bring this class to a higher level.

Hence little is gained in merely combatting compulsory automobile insurance. The wayfarer argues that if the state licenses those incapable of meeting

this just and legal obligation then in all fairness there should be remedial processes. There are thousands of jalopies on the road where the owners even find it difficult to pay for gasoline. Let him maim or kill a pedestrian or injure others' machines, he is judgment proof and the innocent suffer the consequences.

Hence in meeting proposed legislation of this kind, there must be offered a convincing substitute. The Massachusetts compulsory law has not reduced accidents and because the state determines the rates, that brings it into poli-

tics and it becomes a football of the politicians.

With millions of automobiles and trucks on the roads, accidents will happen. We should utilize what authority we have to see that traffic regulations are observed. It might be well to tighten up materially. We should bring into play all possible safety measures.

Next, we certainly need drivers' license laws and they should be rigid. We permit the incompetent to run an engine on the highways. There are opportunities here for improvement and better protection.

### No Time for Production Conservatism

THAT 1941 is to be a big year, perhaps even dwarfing any year that has ever gone before, seems to be an inescapable conclusion. That does not mean, however, that all will share alike in the business engendered by the spending of unheard of billions by the government. Perhaps the year will be so good that even those who don't work very hard will not be able to avoid getting business. However, the fact will still hold true that those who are active, aggressive, resourceful, will be the ones to profit. There will still be thousands of depressions for individuals.

People have never before contemplated so coldly the prospect of a certain boom with the almost unanimous expectation that it will be followed by collapse. There have been bears in the midst of a boom that have had misgivings about

Next we certainly should have the draft of a financial responsibility act that has teeth in it. New Hampshire seems thus far to have enacted the most practical statute. It is incumbent on the state government to see to it that those who are financially irresponsible are debarred from license.

Insurance men have an obligation to meet. They should become well informed concerning the defects of compulsory laws and should become experts on a workable substitute. Let us do all in our power to keep the automobile business out of politics.

how long it would all last, but probably never before has a people regarded an upward and then a downward curve as immediately inevitable.

It is not unlike the situation of the dyspeptic who knows that after his turkey dinner he must have a soda.

It seems to us that anyone proceeding on the theory that 1941 and possibly 1942 are turkey years and 1943 is a soda year should strive mightily to get at least their share of the business during the turkey years. Those who don't get their share during the bounteous period ahead will be just that much harder up in the less bountiful years than those who do get their share. This is the year when the sights should be set high. Quotas and objectives should be ambitious. It is no time for conservatism in plotting business getting activity.

## PERSONAL SIDE OF THE BUSINESS

Donald Wood of Childs & Wood, Chicago local agents, has left by motor for Florida to be gone for about four or five weeks. Mr. Wood has traveled extensively, but this is the first time that he has surveyed the Florida scene.

The 82nd birthday of Wilfred B. Gasche, who is president of Alliance Cooperative, was treated in front page style by the Topeka "State Journal" the other day. Special emphasis was placed on the fact that his birthday present consisted of a box of cigars and that he took up smoking at the age of 15, using mullein leaves. He is credited with being a hearty eater and he is at the office daily. Mr. Gasche has been president of Alliance Cooperative 40 years. For 25 years he was president of the Kansas State Association of Mutual Insurance Companies and served for two terms as president of the National Association of Mutual Insurance Companies.

C. L. Raymond, surviving partner in Raymond & Raymond of Detroit, general agent for several companies, and one of the city's leading agencies since 1903, is seriously ill with pneumonia. Mr. Raymond is a past president of both the Michigan and Detroit agents' associations. The agency was founded by Mr. Raymond and his aunt, Harriet E.

Raymond, who retired three years ago.

Ewing Moseley of Dallas, Texas state agent of London Assurance, honored George C. Beamish, secretary from the home office, at a reception attended by agents of the London Assurance in the Dallas area and by Dallas bankers and business men. Mr. Beamish is making an inspection tour of United States agencies, accompanied by G. J. Giersberg, Kansas City, superintendent of the trans-Mississippi department. Mr. Beamish has made frequent visits to the United States headquarters in New York since he went to Montreal several months ago to work in that office.

Alvin S. Keys, Springfield, Ill., local agent, has been elected president of the Illini Country Club. H. B. Bartholf, president Illinois National Casualty, is second vice-president and a director.

R. E. Masterson, special agent Fireman's Fund, and Miss Jane Jolliffe were married in Los Angeles.

Donald E. Waggaman, special agent for the Commercial Union, Oklahoma City, has been called to the colors and joined the anti-tank battalion at Fort Sill, Okla.

James M. Hoffman, auditor of the Chicago branch of Home, has returned



## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York.

PUBLISHED EVERY THURSDAY

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Subscription Price \$4.00 a year (Canada \$5.00). Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 7, 1879.



from a Florida vacation. He went to Washington, D. C., for a short visit with his father, W. M. Hoffman, who is president of Firemen's of Washington & Georgetown and then motored from there to Florida with his mother.

At the recent annual meeting of the West Virginia Fire Underwriters Association, as usual, F. W. Shirer, state agent for Springfield F. & M., occupied a foremost place. He is a past president and also past chairman of the executive committee and he has been for many years chairman of the rules committee. He has been state agent for Springfield F. & M. 32 years and is very highly regarded in the insurance business and by his many friends in his home city of Wheeling. According to Secretary A. S. Whiteley of the West Virginia Fire Underwriters Association, Mr. Shirer has done more constructive work for the organization than any other member. Mr. Shirer was formerly located in Akron, but he has been in West Virginia practically half of his life and considers that as his native state.

## DEATHS

**H. W. Barragar**, 64, pioneer Seattle fire insurance man, died there after a year's illness. At the time of his death he was special agent of the Washington General Agency. He formerly was insurance manager of the Weyerhaeuser Timber Co. and Seattle manager of the General of that city and at one time was with the Washington Rating & Surveying Bureau.

**A. D. Irving**, 67, who retired as secretary of the United States branch of Phoenix of London some years ago, died at his home near Wilmington, Del. A son of the late A. D. Irving, long United States manager of Phoenix, Mr. Irving, after his retirement from the insurance business, entered the world war as a lieutenant in the naval reserve, subsequently becoming a junior aid to President Wilson. He was a great-nephew of Washington Irving, and as a youth lived with his parents in the home of the novelist at Sunnyside, Irvington, N. Y.

**C. H. Collett**, Wellington, Kan., agent, who took over the old Belsley agency on Mr. Belsley's appointment as postmaster eight years ago, died suddenly. Many insurance men attended the funeral. He also was secretary of the chamber of commerce and a leader in community affairs.

**William Hargrove**, 41, in charge of the marine loss department of the Los Angeles office of the North America, died from complications following an

emergency appendectomy. He had been with the North America group 12 years, the last half of that time in the marine loss department. Previous to that he had been with several other companies in San Francisco and the Pacific northwest.

**Mrs. Mary Reid**, who died the other day at the home of her son, Charles A. Reid in Pittsburgh, was also the mother of A. Duncan Reid, William J. Reid of Kingston, Ont., and Wallace M. Reid, who is associated with the Wallace M. Reid agency of Pittsburgh. Charles A. Reid is also of that agency.

**Patrick McGovern**, who died in Hartford at the age of 91, was the largest holder of shares in Travelers and Aetna Life and he owned stocks in all publicly owned Hartford insurers. He is credited with owning 6,705 shares of Travelers and 70,760 shares of Aetna Life. He always attended the annual meetings of those companies.

**Mr. McGovern**, a native of Ireland, went to Hartford at the age of 14. He had a great facility for mathematics and was connected with Aetna Life 40 years. He retired in 1918, at that time being head of the investment department of Aetna Life. He started buying insurance shares in 1863. He accumulated all his cash and stock dividends and often said that he never sold a share. The value of his insurance stock holdings is estimated at about \$5,000,000. At the peak, the value is said to have been about \$30,000,000.

**Mr. McGovern**, while with Harbison Brothers, grocers, saved \$1,090 with which he bought 10 shares of Travelers. That was the nucleus of his insurance holdings. Mr. McGovern was closely associated with Morgan G. Bulkley, late president of Aetna Life, who was a former mayor of Hartford and former governor of Connecticut. The story is told that while Mr. McGovern was at the office of Connecticut Mutual Life, preparing a history of that company, Mr. Bulkley, who had just been elected Aetna Life president, marched in and took Mr. McGovern to the Aetna Life office where he remained 40 years.

**Miss Grace Berry**, the first woman employee of the New Hampshire Fire Insurance Company, where she worked for 31 years as a stenographer, died at her home in Manchester. She retired in 1924. Miss Berry was a cousin of Vice-president Henry F. Berry of the New Hampshire Fire and a sister of William G. Berry, one of the leading agents of Manchester.

**Milton H. Northrup**, 61, senior partner in the Northrup & Dillmanbach agency of Syracuse, N. Y., died in Syracuse Memorial Hospital. He had suffered an attack while at the wheel of

his automobile Jan. 26. The agency was founded by Mr. Northrup's father in 1900 and upon his death, the son took over in 1906. The agency was later merged with the Clarence Dillmanbach agency in 1930. He was very active in Syracuse affairs and was a past president of the Optimists Club.

**George Herrmann**, head of George Herrmann & Co., Chicago class 1 agency, died at the age of 85, due to a heart affliction. Services will be held at 1:30 p. m., Feb. 14. Mr. Herrmann was a Mason. He started as a broker in Chicago about 48 years ago. He founded Herrmann & Co. over 40 years ago and had been a Class 1 agent for many years. Mr. Herrmann was active, spending every morning at his desk directing affairs. His sons, George, Jr., vice-president, and V. M., treasurer, and E. C. Sweetland, vice-president, are in executive charge and continue to operate the agency.

**John G. Adler**, who was state agent for National Liberty in eastern Pennsylvania, died at his home in Brooklyn after a lengthy illness. He was born in Brooklyn in 1893 and attended New York University. He started with Great American in 1915 and had been with National Liberty since 1923. He had maintained an office in the Commonwealth building, Allentown, Pa.

**Charles N. Rambo**, 68, manager of the Railroad Insurance Association since its formation in 1920, died at his home in New York Monday, following an illness of almost two months. He had spent practically his entire business life in insurance.

**Mr. Rambo** was called to head the Railroad Association, when it was organized to succeed the Railway Insurance Syndicate. Previously he was secretary of Mutual Fire, Marine & Inland of Philadelphia, created largely to handle the insurance coverages of the Pennsylvania Railroad. During the world war he had charge of the fire protection service under the supervision of the United States Railroad Administration.

**Bruce M. Titman**, well known Philadelphia independent insurance adjuster for a quarter of a century, died Sunday at his home in Drexel Hill.

**Charles W. Davis**, 87, a solicitor for Everts-Tremaine-Flicker Company, Cleveland, for 25 years, died.

**F. E. Ellis**, 61, veteran local agent at Maquoketa, Ia., died there. He founded the Frank Ellis museum of archeology and anthropology in Maquoketa and was state senator for three sessions.

The Insurance Girls Service Club of Los Angeles will give a membership tea and fashion show March 1.



## CALENDAR

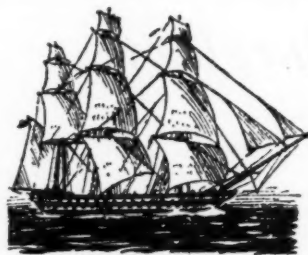
1794-  
1941



## Autobiography

Since 1794 the "State of Penn" has been writing its autobiography in a daily record of service to agent and assured. The book is open for all to read, and is another reason why agents are glad to hand a policy to a client and say, "It's in the 'State of Penn.'"

### Fire and Accessory Lines



1805

In 1805, the Caledonian Insurance Company came into being. The story of its growth from small beginnings in Scotland into a British Institution with world-wide ramifications is a romance as inspiring as the history of the sea itself. The Company has seen the rise and fall of many institutions but shrewd and conservative finance allied to sound and efficient management has enabled the good ship "Caledonian" to weather all storms.

## ACHIEVEMENT

The United States Branch of the Caledonian Insurance Company undertakes all classes of Fire, Motor and Marine Insurance permitted to be written by a Fire Insurance Company.



1941

## THE CALEDONIAN INSURANCE COMPANY

UNITED STATES OFFICE: HARTFORD, CONN.

ROBT. R. CLARK, UNITED STATES MANAGER

S. D. McCOMB & COMPANY, INCORPORATED

116 JOHN STREET, NEW YORK

UNITED STATES MARINE MANAGERS



THE INSURANCE COMPANY  
OF THE  
STATE OF PENNSYLVANIA

Chartered in 1794

PHILADELPHIA, PA.



## 50 + Years of Service

The Preferred Accident has throughout its 56-year career built up and maintained a progressive staff of agents in all parts of the country with whom its relationship has been friendly and mutually profitable.

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That agents appreciate this program in its broad aspects is indicated by their long time representation of the Preferred.

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*Automobile      Accident      Burglary*  
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### THE PREFERRED ACCIDENT INSURANCE COMPANY

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80 MAIDEN LANE, NEW YORK

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# The NATIONAL UNDERWRITER

February 13, 1941

CASUALTY AND SURETY SECTION

Page Nineteen

## Must Demonstrate Need for Bonds as Defense Aid

### Ray Murphy Stresses Importance of Protecting Government Interests

BALTIMORE — The importance of convincing federal government authorities that surety bonds are needed and are good business in war time preparations as well as in time of peace, and that the surety business is prepared to meet the emergency and in so doing is able to render a great service to the nation, was stressed by Ray Murphy, assistant general manager Association of Casualty & Surety Executives, before the annual dinner of the Binder Club of Baltimore.

The dinner was held in connection with the observance of Baltimore Insurance Day and was dedicated to "Baltimore and Corporate Suretyship." Mr. Murphy paid tribute to the Baltimore companies: Fidelity & Deposit, American Bonding, U. S. F. & G., Maryland Casualty and New Amsterdam Casualty, which he said have contributed much to the growth and development of the business.

### Desire to Aid Program

Surety companies desire in common with every patriotic industry to contribute toward making America the arsenal of democracy, Mr. Murphy declared. So gigantic are the proportions of the national defense program, so sweeping are some of the changes involved that adjustment to the new order is required. For some 45 years it has been the uniform requirement of the federal government that bonds be taken for the protection of subcontractors and material men on federal public building and works projects. There have been innumerable cases of recovery by the government under surety bonds as well as by subcontractors and material men.

### Bills Waive Requirement

Because of the difficulty of obtaining surety and fidelity bonds covering national defense in such faraway places as Alaska and Pacific islands, Congress in 1939 authorized the navy department to waive the requirement of performance and payment bonds on such work outside the continental limits of the United States. Now the bill making appropriations for the navy department for the fiscal year ending June 30 also permits the secretary of the navy to waive bond requirements with respect to negotiated contracts under the rearmament program, even where the project is located within the continental limits, and when a bond to protect both government and material men could be readily obtained with but slight increase in cost, if any, and without retarding the rearmament program. Under the provisions of the supplemental and second supplemental

## Chicago Symposium on Comprehensive Policies

About 260, the capacity of the Chicago Board auditorium, attended the symposium on the new comprehensive liability policies that was conducted under the auspices of THE NATIONAL UNDERWRITER and the Fire, Casualty & Surety Bulletins. The members of the eight-man panel had their material well in hand, the presentation was well organized and the audience seemed to respond favorably to having the subject treated in diversified fashion so far as personalities were concerned.

THE NATIONAL UNDERWRITER will reproduce most of what was said at the symposium in installments and then the entire proceedings will be put together in pamphlet form. Each subscriber to the Fire, Casualty & Surety Bulletins will receive this pamphlet along with his March material. The first installment appears herewith:

Chairman H. J. Burrige: On behalf of THE NATIONAL UNDERWRITER and the Fire, Casualty & Surety Bulletins, we want to bid you welcome to this symposium on the new comprehensive liability policies. Some time in the future, if a similar situation arises, we might be constrained to have something of the same sort, if this one happens to work out all right.

What we have here today is a kind of an "Information, Please" panel of experts. There aren't going to be any prizes if you stump them, but we have six insurance men, one paid-up sub-

national defense acts, like powers to waive the bond requirements are given to the secretary of war.

The resolution appropriating \$350,000,000 to the U. S. Maritime Commission for emergency ship construction and for other related purposes also carried provisions for dispensing with performance and other bonds on the public works involved.

In answer to these developments, Mr. Murphy cited the need for protecting the government against padding of payrolls, the use of improper and unnecessarily expensive materials, the waste of materials, careless or faulty construction and the purchase of unnecessarily expensive equipment and the raising of the amount of bills for material purchased.

### Many Prominent Guests

Commissioner Gontrum of Maryland, was the toastmaster and presented the following guests: E. J. Bond, Jr., president Maryland Casualty; E. Asbury Davis, president U. S. F. & G.; H. F. Ogden, president Fidelity & Guaranty Fire; C. H. Roloson, Jr., president Central; F. H. Strickland, vice-president New Amsterdam Casualty; H. A. Joyce, deputy insurance commissioner; G. T. Warfield, president Maryland Association of Insurance Agents; R. W. Martin, president Maryland & Delaware Field Club; J. H. Schisler, president Casualty & Surety Club of Baltimore; and E. S. Windsor, most loyal gander of Chesapeake Blue Goose.

J. H. Gorges, president Binder Club, and F. A. Fowler, chairman Baltimore Insurance Day program committee, also spoke.

scriber, Donald M. Wood, a local agent, and an eighth man who is an attorney. He is not the attorney who sat up all night recently trying to break a widow's will.

### Brief Introductions

I will not bother you very long, but there are some very brief introductions we need here. I represent the commercial side of our business, not the editorial side, and I see among you some of those that I have caught occasionally in the Rialto Theater, where the ushers are running up and down the aisles selling cigars, cigarettes and chewing gum. We won't have THE NATIONAL UNDERWRITER put on anything like that, but I have about 10 of my boys here, known in the trade as "sheet writers," and they will be racing up and down the aisles soliciting you for subscriptions and I hope that you will treat them kindly.

The discussion is to be on the new comprehensive liability policies, not the ones issued by my favorite insurance company, the old Ironsides Fire & Marine, but by the orthodox companies, and the meeting will be conducted by James C. O'Connor, the editor of the Fire, Casualty and Surety Bulletins, the associate editor of THE NATIONAL UNDERWRITER, a gentleman, a scholar and an insurance educator a la mode. Mr. James C. O'Connor.

### Extra Curricular Activities

Chairman O'Connor: Gentlemen, we are glad to see you here. I suppose you have all read that the Old Ironsides Indemnity is now in the comprehensive liability field, the field men of the Old Ironsides Fire & Marine are expected to handle casualty lines, and it is rumored that that additional responsibility is going to cut down on their extracurricular activities something terrible.

The panel consists of men in the insurance business who know the new comprehensive forms in and out. We are deeply grateful to them for generously giving of their time and making the effort to appear this afternoon. They all did so under one condition, that is, that they would not be referred to as the Quiz Kids, as Bright Children, as our Trained Seals or any other similar title. While they need very little introduction, it seems to me that they at least are entitled to the courtesy of having their names called off before we start badgering them. It has been suggested that the fighting epitaph for this program might well be, "They Stuck Their Necks Out."

Starting off on my left, we have Walter Bremer, assistant superintendent of liability of Hartford Accident.

### Donald Wood Is Introduced

Next to him is Donald Wood of Childs & Wood, one of the best informed insurance agents in the city and, for that matter, in the entire country. Mr. Wood is a former chairman of the Chicago Insurance Agents' Association.

Next is Louis Ollmert, who is superintendent of the automobile department

(CONTINUED ON PAGE 37)

## Closer Scrutiny of Personal Sureties Urged by Moser

### Adoption of Cook County Probate Court Rule Aids Heirs

In pointing out the advantages of corporate over personal surety before the annual convention of the Illinois County & Probate Judges Association in Chicago, H. S. Moser, Chicago attorney with Sonnenschein, Berkson, Lautmann, Levinson & Morse, urged the adoption all probate courts of Rule 16 of the Cook county probate court. The rule provides that before any bond for personal surety shall be approved by the court persons offered as surety shall present a verified schedule of holdings and shall agree in writing that they will not convey or encumber any real estate owned until released as surety by order of the court. Personal sureties must agree to pay the clerk the cost of examining the sufficiency of the surety and the recording in the schedule. When the proposed surety is accepted by the court, the schedule is filed with the clerk and recorded in the office of the recorder of deeds or the registrar of titles where the real estate is located and then kept by the clerk with the bond to which it refers.

### Recommends Supreme Court Action

The adoption of such a rule by the Illinois supreme court applicable to all forms of personal surety bonds requiring approval by any court of record was also recommended by Mr. Moser.

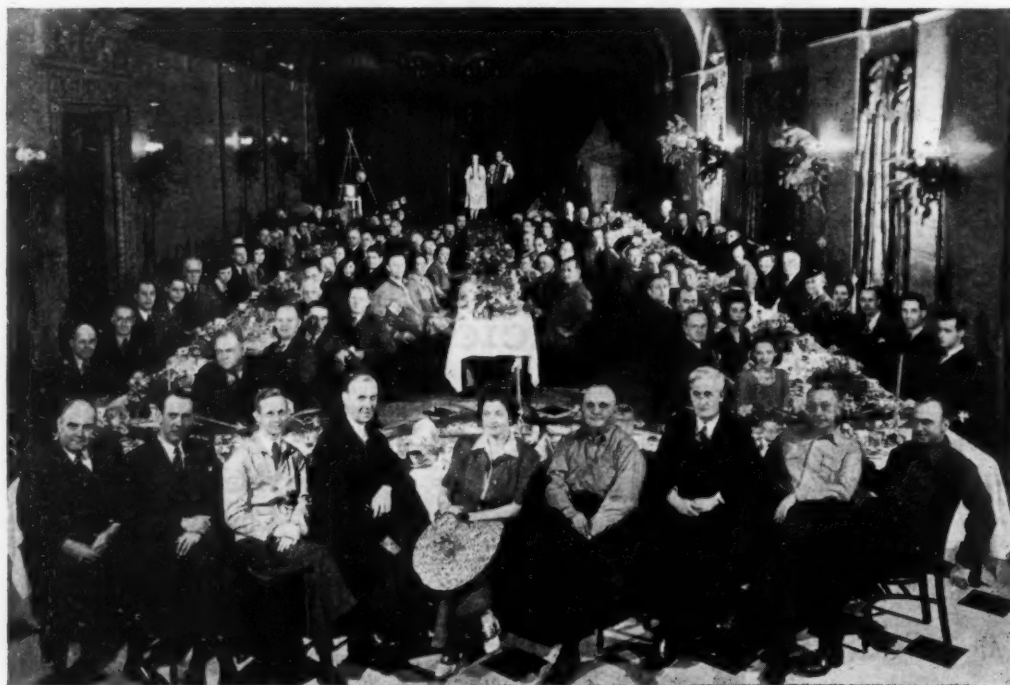
In over 5,000 estates where bonds were required in Cook county, personal surety bonds were furnished in only 26 instances, with corporate surety bonds in the remaining cases. Five applicants to serve as personal sureties were found to either have their titles defective or that the value of real estate was not sufficient. Thus, with a complete disclosure of the financial responsibility of applicants, nearly 16% percent of all applicants to serve as personal sureties were disapproved by the court.

Even in cases where the personal sureties were approved, the heirs of the estate are not protected against declines in value of real estate or the dissipation of insurance proceeds in the event of fire damage since the insurance is not assigned. Heirs may also be subjected to a very substantial expense in foreclosing their equitable lien in the event a claim arises. However, the rule at least protects heirs against dissipation and sale and transfer of the real estate and against future judgment creditors of their respective sureties.

By not requiring this rule lenient practices regarding personal sureties exist in other counties. In one county out of 205 administrator, guardian and conservator bonds approved by the court, only

(CONTINUED ON PAGE 38)

## Indianapolis Agency Stages Big Celebration



Commissioner Viehmann of Indiana and some 150 other guests and agents attended the annual dinner of the H. C. Baldwin agency of Indianapolis. Mrs. L. L. Waters, secretary of the agency, served as hostess.

The company executives attending included Harry A. Marsh, executive special agent, and Stanley Cowman, automobile secretary of Quaker City F. & M.; Voris Lyons, general manager, and Charles Koch, head underwriter of

Pennsylvania Casualty, and R. G. Calvin of the Chicago office of Protective Indemnity.

The room was decorated to resemble a hunting scene. Mr. Baldwin and M. B. Raub were dressed in the clothes that they wore on the hunting trip to British Columbia where the moose was killed that was served at the dinner. The 18 agents who qualified for the fishing trip to Snow Islands last July were clothed as they appeared on that

occasion.

Another fishing trip will be awarded this summer to agents that meet the requirements. This will be to the Lake of the Woods, Canada. The group will leave July 19 for 10 days.

The Baldwin agency recently was appointed state agent of Protective Indemnity and for the marine department of American Home Fire. The agency had a 40 percent increase in business last year.

## Group Companies Drop Uniformity On Hospitalization

Major companies writing group hospitalization insurance, which have so far been virtually identical in rates and benefits, are on the verge of providing plans which will differ widely in some respects. All the changes will be in the direction of giving more for the money and will place the company-underwritten plans in an even better position as compared with the hospital association plans.

Some companies will reduce the maternity benefit from 14 days to 10 days, the latter being the basis used by the hospital plans. However, this will be accompanied by a lowering in the rate on the family coverage. Changes also include recognition of the lower hazard where a couple is childless and there is no prospect of need for maternity benefits. Thus there will be three classes: single employees, childless couples, and married employees with one or more children.

## McKesson & Robbins Suit Highlights Insurance Need

NEW YORK—Attention has again been directed to the desirability of accountants liability insurance by filing of suit by McKesson & Robbins, Ltd., of Montreal, seeking \$1,500,000 damages from Price, Waterhouse & Co., alleging negligence on the part of the auditors. Price, Waterhouse is charged with failure, in their audit, to uncover certain fictitious transactions.

While accountants liability cover has been written in England for more than 30 years, the first such policy issued here was in 1924, by American Surety. Later Indemnity of North America accepted such risks.

Most of the claims against accountants are for alleged failure to uncover embezzlements.

## Piper Boosts Auto Compulsory Cover

BUFFALO — Compulsory automobile liability insurance is the only answer to the problem of protecting accident victims, Supreme Court Justice R. Foster Piper, former chairman of the New York state joint insurance legislative committee, told the Kiwanis Club of Buffalo.

Justice Piper said the New Hampshire financial responsibility plan is not the proper solution to the problem. He also criticized compensation plan under which all injured persons would receive compensation from the state, similar to the workmen's compensation law.

He said the cost of administering the New Hampshire plan in New York state would be tremendous and still would leave 25 to 30 percent of the cars in the state uninsured. "I can't understand why it is better to induce a driver to take out automobile insurance through fear than actually to compel him to take out that insurance," he said in commenting on the New Hampshire scheme.

### Much Misinformation, He Said

Justice Piper said that during his 11 years in the legislature there was a constant increase in the demand to remove irresponsible drivers of motor cars from the highways. This, he said, resulted from the ever mounting accident toll.

"A great deal of misinformation on this subject of compulsory automobile insurance has been given the people of New York state," he asserted.

He pointed out that Massachusetts has had 14 years of compulsory automobile insurance and said the plan has been working satisfactorily. The bill introduced in the New York state legislature last year "corrected many of the deficiencies in the Massachusetts law,"

he asserted. He predicted that another bill of the same type will be presented at the present session of the legislature.

He called the rating system under the Massachusetts law defective. He denied that the Massachusetts law has increased automobile accidents, declaring there are no figures to substantiate this claim. He further asserted there is no relation between automobile insurance and accident ratios.

"We have come to the point now where we must do something about this situation in New York state," he said. "But the interests of safety should not be confused with automobile insurance. They must be considered separately. Compulsory insurance is the only answer."

### N. Y. INTERESTS CONFER

NEW YORK—Representatives of the New York State Bar Association, of casualty underwriters associations, local agents and brokers' bodies, met with Motor Vehicle Commissioner Mealey at Albany Tuesday, and informally discussed the subject of compulsory automobile liability insurance. The commissioner is on record as favoring a compulsory measure, and collaborated with Superintendent Pink in preparing the bill offered in the 1940 session of the legislature, and also in the measure under review by the joint committee at this time, and which presumably in amended form will be submitted to the legislature within a short time.

Opponents of the compulsory idea strongly favor the Bar Association's bill, which patterned after the New Hampshire law, would amend the present New York financial responsibility statute.

W. H. Burhop, executive vice-president Employers Mutuals, discussed the phenomenal growth of insurance in the United States at a luncheon of the Kiwanis Club of Wausau, Wis.

## Garrett Interests Incorporate New K. C. Casualty Co.

KANSAS CITY—Kansas City Casualty has been incorporated and chartered with 50,000 shares of \$10 par value stock, total \$500,000 authorized, to carry on a general casualty insurance business.

Incorporators are S. C. Hudson, Sam C. Hayden, Frank R. Robison, James Cleary, James J. McNeill, James M. Gilpatrick, Edward H. Robison, R. E. Dunn, Ben Maudekehr, Harry C. Eisenberg, Emanuel Berkowitz, A. Wonck and Ralph Hickman.

Mr. Hudson, Mr. Hayden, Frank R. Robison, Mr. Cleary, Mr. McNeill, Mr. Gilpatrick, Edward H. Robison, Mr. Dunn and Mr. Eisenberg are carried as the first board of directors, although the directorate has not been finally completed.

### Not to Be Licensed Now

The company probably will not be licensed for 90 to 120 days inasmuch as the directorate and officers have not been completely set up, it was indicated by T. W. Garrett, Jr., head of Garrett, Inc., Kansas City.

At a meeting of directors of Mid-America Casualty Tuesday in Des Moines, Garrett, Inc., purchased all assets of Mid-America with the thought of possible future consolidation with Kansas City Casualty "at the proper time." Garrett, Inc., has had control of Mid-America for some time.

### Contribute to Buy Ambulance

ST. LOUIS—The 1,000 employees of the home office and St. Louis branch of the American Automobile have contributed \$1,350 for the purchase of an ambulance and one year's maintenance to be donated to the British-American Ambulance Corps.

## New Vice-president of Provident L. & A.



R. R. MURPHY

In his 17 years with the Provident Life & Accident, R. R. Murphy, who last week was promoted to agency vice-president, has held numerous positions of responsibility in the railroad department, including that of agency manager, a position to which he was named in 1938. The company has insurance contracts on more than half the class 1 railroads, and its railroad department is one of its most important divisions.



## Double Anniversary U. S. High Court Holds Against Insurer on Limits



PAUL G. GAREY

Accident and health agents of the Commercial Casualty and Metropolitan Casualty are conducting a nation-wide anniversary production drive in February in honor of Paul G. Garey, secretary of both companies in charge of the accident and health division, who entered the accident and health business 30 years ago, in February, 1911, and joined the Commercial Casualty 20 years ago, in February, 1921.

Mr. Garey started with the old Prudential Casualty of Indianapolis and after seven years with that company served as accident and health superintendent of the Chicago Bonding until he entered war service. On his return, he established his own agency in Indianapolis, but gave it up to join the accident and health division of the Commercial Casualty, Feb. 8, 1921. He was later appointed assistant secretary and became secretary in July, 1936.

From less than \$1,000,000 of accident and health premiums in 1921, the premium income of the two companies now exceeds \$4,500,000, the premium increase for 1940 being \$612,000. Mr. Garey has been active in accident and health organizations and is widely known throughout the country.

Lester L. Burdick, manager of the accident and health division of the Commercial Casualty in Boston, is chairman of the general agents group which organized the campaign for M. Garey.

## Travelers Policy Payments Pass 2 Billion Mark

Within a few hours after President L. E. Zacher of Travelers had told the stockholders at their annual meeting that more than \$100,000,000 in benefits had been paid to policyholders and beneficiaries last year, and that the total since organization was close to two billion dollars, payments were being made that put the total beyond the two billion mark. At the close of business, Feb. 5, the actual total of policy payments paid since Travelers was organized was found to be \$2,000,257,239.

## Would Oust Indiana Bureau

A bill to abolish the workmen's compensation rating bureau in Indiana has been introduced in the legislature. Much interest is taken in the motive of the bill. It is understood that some of the large manufacturers are supporting it.

Interest is also keen in the bill to create a monopolistic state workmen's compensation fund in the state.

The Farm Bureau companies will hold their annual convention in Columbus, O., April 3-4, with more than 1,000 from nine states and the District of Columbia attending.

The United States Supreme Court has refused to review the judgment of \$38,550.72 in the case of Sutcliffe, Admx. d.b.n., et al., vs. Lumbermen's Mutual Casualty. The company contended that its policy limit was \$5,000/10,000, and, therefore, its total limit was \$10,000 on three personal injury judgments of \$6,050.72, \$7,500 and \$25,000 respectively, rendered in the state courts. The United States circuit court of appeals for New York had ruled that the policy limits were \$25,000/50,000, and, therefore, the three judgments totaling \$38,550.72 were covered in full by the policy.

The case turned upon a curiously written automobile liability policy, and on a quirk of the New York law.

### Referred to Schedules

The named insured was Maxweld Corporation, Brooklyn. In the space for showing principal use and garaging there was written "Schedule attached." Use was described as "business and pleasure." In the place for listing automobiles covered was written "See schedule attached." There was a condition that no liability was assumed for any risk covered unless specific premium charge was entered therefor. A premium of \$213 was written in under the heading "Liability (limits \$5,000 one person, \$10,000 one accident) premium." Under the heading of "Increased public liability limits premium" (which again said "See schedule attached") were the figures \$51.87.

The schedule listed four cars, with several columns filled in. Under the heading of "Protect Interest Of" the name of Earl C. Maxwell was filled in for a 1934 Buick and a Dodge. His home, Northport, was filled in under location. In the column for \$10,000/20,000 limits the word "Nil" was filled in for both cars. Under the column for \$25,000/50,000 limits the correct premium of \$40.64 was filled in for each car. Two other cars were listed, one for Maxweld Corporation.

### President's Car Involved

Maxwell was the president of Maxweld Corporation. While driving the 1934 Buick he was killed in an accident, and the same accident led to the suits involved in this case, in which the judgments were against the Maxweld Corporation. As the New York law stood at that time, Maxwell having been killed, no right of action survived against him. Thus to get damages the injured sued to hold the corporation. The jury in the three cases affirmatively answered two questions; first, that the defendant corporation was the sole owner of the car; and second, that the car was being used in the corporation's business at the time of the accident.

With the three separate judgments affirmed in the state courts, the question became, what could the claimant recover under the insurance policy. The suit was in the federal court. The district court ruled that the standard \$5,000/10,000 limits stated in the policy were all that were available to the Maxweld Corporation, and hence to the claimant, because the rider or attached schedule extended the \$25,000/50,000 limits only to Maxwell; and as the judgments were only against the corporation, and not against Maxwell, there were no other limits except \$5,000/10,000 available.

The circuit court of appeals reached the conclusion that, "Whatever insurance any person is entitled to under the policy, such insurance inures first to the named insured, which herein was the Maxweld Corporation." It first quoted the insuring clause "to pay on behalf of the insured . . . all sums which the insured shall become obligated to pay. . ." Next it quoted the provision for increased public liability limits, "provided a premium has been charged

## Still Company Leader After 30 Years in Field



DWIGHT MEAD

For the second consecutive year Dwight Mead of Seattle was the leader of the Pacific Mutual Life in production of accident and health insurance. In 1940, his 30th year with the Pacific Mutual.

Mr. Mead is past president of the National Accident & Health Association, and of the Seattle Life Underwriters Association, organizer and first president of the Seattle Accident & Health Managers Association.

therefor." Then it quoted the omnibus clause, without comment, and then the clause, "Any insurance under this policy shall be applied first to the protection of the named assured and the remainder, if any, to the protection of the named assured and the remainder, if any, to the protection of any other assured." Finally it quoted the definition, "The unqualified term 'assured' wherever used in this policy shall include in each instance the named assured and any other person, firm or corporation, entitled to coverage under the terms and conditions of this policy, but the qualified terms 'named assured' shall apply only to the assured named and described in special condition one."

### Held Liable Either Way

The court said, "Whether the statement in the attached schedule of itself refers only to protection of Maxwell's interest in the Buick car, or is to be read as meaning that it also protected Maxwell, the result is the same. If the former was intended, the provisions of the 'General Conditions' quoted above carry any protection afforded Maxwell to the named insured; if the latter was intended, as is perhaps more likely, the entire intent to the same effect appears in the rider." The judgment of the lower court was altered to make the company pay the judgment under the \$25,000/50,000 limits, instead of under the \$5,000/10,000 limits.

The insurance company bitterly contended that the car did not belong to the corporation, and that it was not being operated at the time of the accident in the corporation's interests. The circuit court of appeals merely pointed to the findings of the jury, which had to be accepted in this case. If these jury findings had not fixed liability on the corporation there would have been nothing due under the policy because under the New York law at the time of the accident the rights of the victims against Maxwell would have ceased with his death.

R. E. Vernor, Western Actuarial Bureau, has been appointed administrative vice-president of the Greater Chicago Safety Council.

## Extend Facilities Outside U. S.

### Reinsurance Group on Compensation Also Talks Pool for War Risks

NEW YORK—Extension of its facilities to cover work done by American contractors in building American naval bases in Trinidad, Newfoundland and other British possessions was voted at the annual meeting of the Workmen's Compensation Reinsurance Bureau. Ordinarily the bureau does not cover risks outside the United States or its possessions. Coverage facilities will be broadened to include also risks along the east coast of South America.

Henry Collins, U. S. manager Ocean Accident, chairman, F. M. Comer, secretary, and all other officers were re-elected.

Trustees, who are also members of the board of governors, are Mr. Collins, Jesse S. Phillips, chairman Great American Indemnity, and J. M. Haines, U. S. manager London Guarantee & Accident. Governors are F. J. O'Neill, president Royal Indemnity; Paul Ruth-erford, president Hartford Accident & Indemnity; R. N. Caverly, vice-president Fidelity & Casualty, and C. L. Phillips, vice-president U. S. F. & G.

A special committee appointed to investigate the advisability of covering manufacturers which have undertaken operations involving explosives, as part of the defense program, recommended against doing so and the bureau decided to follow its recommendation. The committee consisted of Thomas Thompson, Ocean Accident, chairman; H. K. Remington, Fidelity & Casualty; and J. L. Barker, Hartford Accident.

### May Pool on War Risks

The problem facing the bureau companies—and companies outside the bureau as well, for that matter—is that many plants hitherto making entirely harmless products are or soon will be engaging in dangerous operations such as making explosives or filling shell casings. The companies do not ordinarily take these hazardous risks and they are excluded from reinsurance arrangements. However, the insured will need coverage and for patriotic as well as business reasons it would be wise to find a way of accepting them.

Since the widest possible spread of risk is desirable in these ultra-hazardous cases it was felt that it would be better for all such business to be handled by an inter-company pool of all compensation carriers, or at least as many as possible, somewhat along the lines of the Associated Companies pool established during the last war. While the Associated Companies pool was complicated in its setup, it fulfilled its mission and it is believed that a similar pool can be established which will be less cumbersome and still take care of the job. The Associated Companies pool took care of public liability and other casualty coverages connected with hazardous operations and presumably its successor would do the same.

### Minn. Medical Expense Limit \$500

ST. PAUL — Casualty companies which are filing medical expense riders with a \$2,000 limit are running into a snag in the Minnesota department. The limit in Minnesota is \$500. Riders with higher limits are not being accepted by the department.

A number of companies also are eager to file medical expense riders in Minnesota attached to owners, landlords and tenants liability policies covering household employees but so far there has been no order permitting such filings in Minnesota.

Additional casualty news on Page 39.

## ACCIDENT AND HEALTH

### Record-Breaking A. & H. Week Seen

More than 50,000 agents, 150 companies and 35 local associations will participate in the 1941 Accident & Health Insurance Week campaign, March 24-29, H. R. Gordon, general committee chairman, estimates. Since the inauguration of Accident & Health Insurance Week six years ago, premium volume has increased 70 percent.

Associations are planning breakfasts, luncheons, dinner meetings and other activities. Special manual of association suggestions has been prepared by a sub-committee headed by R. L. Pad-dock, Time.

A complete line of promotional material including posters, window displays, letterheads and stickers, plan booklets and "68" buttons is available from THE NATIONAL UNDERWRITER, the official distributor.

#### Cooperation Reaches New High

Cooperation by companies has reached a new high this year. Many of them have donated advertising space in trade publications and are distributing sales promotion material to their agents.

The popular "68" theme is being embodied in special advertising which companies have donated. "Mr. 68" urges agents to "get your share" and points out that "68" means business.

Paralleling the growth of accident and health premiums from \$164,000,000 in 1934 to \$275,000,000 of premiums in 1940, is the growth in the number of persons who are hospitalized each year through sickness or injury. The American Hospital Association reports that in 1934, 7,147,416 persons were hospitalized exclusive of first aid and maternity patients and by 1940 this number had grown to 10,300,000. The American Hospital Association has estimated the average cost of a hospitalized illness (not including operating costs) is \$150 which would mean that the nation's hospital bill for 1934 amounted to \$1,072,042,500 and in 1940 \$1,545,000,000.

#### Colorado Life Becomes Security Life & Accident

DENVER—Security Life & Accident is the new name of Colorado Life. President W. Lee Baldwin explained that the former title localized the company, and was of no benefit when the company entered other states. Only about one-fifth of the business in force is in Colorado, and "as we shall have to get a major portion of our business from other states, it became obvious that a change to some other name was necessary."

"We do a favorable accident and health business, and we believe the new name should suggest the broad coverage that we offer; hence, the word 'accident' is included in the name."

"Security" and life insurance go hand in hand, and thus we arrived at the name. There is no other change involved. The corporate structure remains the same, and the officers, directors and other personnel remain unchanged."

#### Selling Angle Emphasized by A. & H. Underwriters

First of a series of three lecture-dinners for accident and health underwriters sponsored by the Chicago Accident & Health Association attracted 150, double the expected, and developed a number of selling slants on underwriting. A. D. Anderson, Occidental Life, chairman of the Chicago group's educational committee, was chairman of the meeting, while Armand Sommer, chief

underwriter Continental Casualty, outlined the general subject matter and did the interrogating. Various points were handled by Hugh Purple, manager of Travelers accident and health department, and C. O. Pauley, secretary Great Northern Life.

Responsibility of the underwriter is primarily to the agent, who, because he is the producer, really pays the underwriter's salary, Mr. Sommer said. He urged underwriters to so handle business that the masses can buy accident and health: This is one way to keep the government out of the insurance business. Use of waivers, for instance, should be regarded by both underwriter and agent as an opportunity by which they can secure accident and health coverage for thousands who would otherwise not have it.

Exempting a company from liability in connection with certain defects apparent at the time of the application, according to Mr. Pauley, enables the company to give service to the agent and the policyholder, which it otherwise would have to deny. From a company standpoint waivers are not very satisfactory. Often, it is found later, the underwriter did not

have the whole story, or he did not make the waiver broad enough. The waiver is, however, a good thing for the public and agent.

Underwriters who have questions they would like answered should send them to A. D. Anderson, 2225 One North La-Salle Building, Chicago.

#### Lake Before Akron Association

At the monthly luncheon meeting of the Akron (O.) Accident & Health Insurance Association on Wednesday, C. Lake, vice-president of the association and manager of the life, accident and health department of Herberich-Hall-Harter, gave a demonstration outlining his methods of making an accident and health sales presentation.

#### Claim Group Plans Essay Contest

NEW YORK—C. E. Anstett, New York Life, president International Claim Association, has appointed J. D. Dowling, Metropolitan Life, general chairman of the association's essay contest committee for 1941. C. J. Sandberg, Phoenix Mutual Life, is chairman of the life committee and E. C. Evans, Commercial Travelers Mutual, heads the accident and health committee. Last year 128 essays were submitted on "The Claim Department—Builder of

Good Will." Every eligible claim department employee is urged to enter the contest. Contestants must have engaged in full-time claim work for at least three years and cannot be managers or assistant managers of their department. Cash prizes of \$300 will be awarded and the winners will be announced at the association's 1941 convention Sept. 8-10 in Atlantic City.

#### Hold Detroit Stag Party Feb. 20

DETROIT—The banquet and stag party of the Detroit Accident & Health Association will be held Feb. 20, with attendance limited to 100. R. J. Long, Great Northern Life, and R. H. MacKinnon, Massachusetts Bonding, both past presidents, are co-chairmen of the committee in charge.

President H. H. Jones, Commercial Casualty, will be toastmaster at the dinner. A floor show will follow.

#### Denver Association Elects

The Denver Accident & Health Association at its annual meeting elected these new officers: President, H. M. Simpson, Federal Life; vice-president, E. G. Edry, Continental Casualty; secretary-treasurer, Carl W. Eagle, Aetna Life; executive committee, E. F. Gregory, Colorado Life, chairman; O. J.

BOSTON, MASSACHUSETTS



T. J. FALVEY, President

## MASSACHUSETTS BONDING AND INSURANCE COMPANY

### FINANCIAL STATEMENT

DECEMBER 31, 1940

#### ASSETS

Cash in Banks and Offices	\$ 2,143,510.90
United States Government Bonds	3,090,292.54
State and Municipal Bonds	996,844.00
Other Bonds and Stocks	10,496,866.80
Real Estate	3,014,449.53
Mortgage Loan	229,500.00
Premiums in Course of Collection (none over 90 days)	2,595,463.11
Accrued Interest	76,734.91
Reinsurance Due from Other Companies	14,583.91
Deposit with Workmen's Comp. Reinsurance Bureau	251,702.37
Other Admitted Assets	162,520.34
<b>Total Admitted Assets</b>	<b>\$23,072,468.41</b>

#### LIABILITIES

Reserve for Claims	\$8,860,036.00
Reserve for Unearned Premiums	5,113,794.13
Reserve for Accrued Taxes Payable in 1941	372,974.93
Reserve for Commissions on Outstanding Premiums	474,642.56
Reserve for Other Liabilities	392,565.53
<b>VOLUNTARY CONTINGENCY RESERVE</b>	<b>1,250,000.00</b>

Total Liabilities except Capital \$16,464,013.15

**CAPITAL** \$2,000,000.00  
**SURPLUS** 4,608,455.26

**SURPLUS TO POLICYHOLDERS** 6,608,455.26

**Total** \$23,072,468.41

Bonds in the amount of \$875,878.68 amortized value are deposited with various States as required by law.

As prescribed by Insurance Department regulations, all bonds eligible for amortization are so valued in this statement. Bonds not eligible for amortization, bonds in default, and all stocks are carried at December 31, 1940, market values.

Transacts business throughout the United States, writing  
**FIDELITY, SURETY and FORGERY BONDS and ALL KINDS of CASUALTY INSURANCE**

**Chicago Office—1919 Insurance Exchange**

SPENCER WELTON, Vice-President

ARTHUR F. McCARTHY, Manager



Pothast, Mutual Benefit Health & Accident; V. J. Pobrislo, Columbian National; S. M. Schwab, Federal Life & Casualty; W. J. McGettigan, Colorado Life; H. Wayne Russell, North American, and Rex B. West, Continental Casualty.

The association voted to amend its by-laws to provide that the retiring president become chairman of the executive committee for the coming year. The membership committee presented plans to double the membership the coming year, which the association pledged itself to do. Three new members were secured at this meeting.

#### Has New A. & H. Sales Kit

A new accident, health and hospitalization sales kit that will help life agents to understand accident and health contracts more readily and will be of value to experienced accident men has just been completed and issued by the United States Life. The material, bound in a letter-size portfolio, provides a complete working sales kit covering all the company's accident, health and hospitalization contracts. Additional material can be added as new policies are issued.

The kit includes a chart giving policy coverages at a glance; 15 pages for quick reference giving detailed information about each policy in illustration form; applications, sample policies, a rate digest, sales promotion literature and a leather pocket-size wallet containing "apps" and illustration cards for use by agents in interviewing prospects.

#### Texas Policy Fee Ruling

The Texas department has issued an order requiring that no policy fee on an accident and health policy shall exceed \$3 or twice the monthly premium, whichever is greater.

#### Tumblety St. Lawrence President

Peter E. Tumblety, vice-president since last September, has been elected president of the St. Lawrence Life of New York, succeeding the late Miss E. E. Meares. Mr. Tumblety was with the Columbian National Life for 38 years, starting as an office boy when it opened for business in 1902. He had been for many years in charge of its claim department. He had served as president of the Boston Claim Association and was active in the International Claim Association. Although his work had been primarily in the claim department, he also took an interest in agency problems. He was a speaker at the mid-year meeting of the National Accident & Health Association in St. Louis last year.

#### Mutual Benefit's Surplus Up

In reporting the statement figures of the Mutual Benefit Health & Accident in last week's edition, surplus was given as \$588,046, with contingency reserve of \$300,000, and it was indicated that there was a decrease of \$116,060. This did not take into account the \$300,000 item. The surplus actually showed an increase from \$704,105 to \$888,046. There is another special emergency or fluctuation reserve of \$1,000,000.

## SURETY

#### Los Angeles Big Party March 7

LOS ANGELES—The most unique insurance social event of the year, the dinner and show of the Surety Underwriters Association of Southern California, will be held March 7.

The show is staged by membership talent. The lines, lyrics and gags, are written by members. The props are prepared by them and the show is produced by a cast of members.

Beginning in a small way in 1935, it has grown to be an outstanding event. Much talent has been uncovered.

The entertainment committee consists of Myron Bigby, National Surety, chair-

man; F. S. Plews, Travelers Indemnity; F. X. Schoeffer, Aetna Casualty; D. W. Graves, Hartford Accident, and P. J. Gauthier, Employers.

#### Fenwick Heals Michigan Group

James Fenwick, assistant manager of United States Fidelity & Guaranty, Detroit, was elected president of the Surety Association of Michigan at its

annual meeting. Lance C. Minor, manager of American Surety, was elected vice-president, and Robert H. Brown, special agent of Massachusetts Bonding, was made secretary-treasurer. Chosen for the executive committee were W. S. Cumming, Maryland Casualty; H. E. Megrew, Fidelity & Deposit, and Thomas E. Griffin, National Surety.

#### Todd on Pacific Coast Visit

W. B. Todd, executive vice-president of Commercial Standard, is spending a few weeks on the Pacific Coast in the Los Angeles and San Francisco offices.

Don Kyler, manager of the Pacific Coast department, and L. H. Angell, agency superintendent of that department, will accompany Mr. Todd to the home office when he returns Feb. 17.

# THE OHIO CASUALTY INSURANCE CO.

HAMILTON, OHIO

## FINANCIAL STATEMENT DECEMBER 31, 1940

### ASSETS

Cash in Bank and Office . . . . .	\$2,418,433.35
U. S. Government Bonds (Amortized Value) . . . . .	4,106,867.15
Municipal and Listed Bonds (Amortized Value) . . . . .	270,024.87
Common Stocks (Market Value) . . . . .	633,364.00
*Stock—The Ohio Insurance Company . . . . .	425,099.00
Mortgage Loans . . . . .	142,343.51
Mortgage Loans—FHA Insured . . . . .	283,548.17
Real Estate (Book Value) . . . . .	149,333.12
Premiums in Course of Collection (Under 90 Days) . . . . .	1,122,832.28
Accounts Receivable . . . . .	52,103.97
Interest Accrued . . . . .	25,907.63
Reinsurance . . . . .	5,628.98
Other Ledger Assets . . . . .	62,405.97
	<hr/>
	\$9,697,892.00

### LIABILITIES

Reserve for Liability and Compensation Losses . . . . .	\$2,184,764.54
Reserve for Other Losses . . . . .	452,242.00
Reserve for Unearned Premiums . . . . .	3,396,299.49
Reserve for Taxes . . . . .	461,034.33
Reserve for Current Expenses . . . . .	12,000.00
Reserve for Reinsurance . . . . .	56,276.60
Reserve for Losses of the Pennsylvania Indemnity Corp. . . . .	132,984.79
Voluntary Contingency Reserve . . . . .	1,002,290.25
CAPITAL STOCK . . . . .	\$ 600,000.00
SURPLUS . . . . .	1,400,000.00
	<hr/>
SURPLUS TO POLICYHOLDERS . . . . .	2,000,000.00
	<hr/>
	\$9,697,892.00

\*This Company is wholly owned, operated and controlled by the Ohio Casualty Insurance Company.

## CHANGES IN CASUALTY FIELD

### Wood American Surety Fidelity Head

NEW YORK—American Surety and New York Casualty have appointed Richard T. Wood as manager of the fidelity department succeeding W. H. Bennem, who was recently elected a vice-president. Floyd A. Romaine has been named assistant manager, and T. R. Heiser becomes deputy auditor.

Mr. Wood is especially well known in surety circles and has written and spoken extensively upon topics of the business. A native of Waterbury, Conn., he was graduated from Yale in 1917, spending the next two years in army service. Later he was vice-consul at Manchester, Eng. His connection with American Surety began in 1924. Eleven years thereafter he was made manager of the bank division of the fidelity department. Mr. Wood just recently gave an important paper on directors liability insurance at a meeting of the insurance division of the American Management Association.

Mr. Romaine's business career began in the comptroller's department of New York Life, where he served 11 years, transferring to the metropolitan department of American Surety in 1918. Later he became a special agent. In 1924 he was assigned to the production department, and in 1930 was advanced to the management of the commercial blanket bond division of the fidelity department. Mr. Heiser's association with American Surety dates from 1929, since which time he held various positions in the auditing department.

### American Surety N. Y. Move

NEW YORK—Because of the decision of the owners of the building at 100 William street not to renew the leases of any of its present tenants, the metropolitan branch of American Surety has moved to spacious quarters at 80 John street. The 100 William street building was the home of many insurance interests for years, but in recent years several insurance tenants have moved elsewhere, including the Aetna Life Group. At one time the William street building housed the Drug & Chemical Club.

### Gauker Returns to Indiana

Ernest Gauker has been transferred to the Indianapolis branch office of Ohio Casualty as underwriter. Mr. Gauker became affiliated with the company last November. He has had many years experience in Indiana, starting as a local agent. For ten years he was with Globe Indemnity as office manager and underwriter at Indianapolis, a position he resigned to join Ohio Casualty. He will have charge of the office and underwriting on both casualty and bonds.

### Gallagher Succeeds Allen

With the retirement March 1 of Welles L. Allen, resident vice-president in charge of bonds at the New York branch office of Standard Accident, the company has appointed Vincent Gallagher to that post. Mr. Allen, whose retirement is due to ill health, has been connected with the company since 1922. Mr. Gallagher joined Standard Accident in 1927 after previous experience with another large company. He has been serving as associate manager. He will be in complete charge of the bonding department at the New York branch office.

### Travelers Indemnity Shifts

F. B. Neff, former special representative of Fidelity & Deposit at Trenton, N. J., has been appointed assistant manager of fidelity and surety lines at the Syracuse, N. Y., branch office of Travelers Indemnity. He is a native of Connecticut and has had more than 16

years of experience in the insurance business.

J. H. Dorsey, field assistant of fidelity and surety lines at the Cleveland branch office of Travelers Indemnity, has been promoted to assistant manager at the Toledo office.

The title of R. F. Williams, field assistant of casualty lines in the Boston branch, has been changed to field supervisor.

### Bidwell, O'Brien Are Advanced

HARTFORD—Clyde C. Bidwell and G. Morris O'Brien have been made field supervisors of the casualty agency department of Aetna Casualty.

W. R. McCallum, safety engineer of the South Carolina industrial commission for six years, has resigned to go with the American Mutual Liability in Atlanta.

The Zurich has planted with the Richmond, Va., agency of Rose & Lafoon. It withdrew a few months ago from the H. V. Goldbold Company in Richmond. It has also planted with Steptoe & Patterson in Lynchburg, Va.

The Earle F. Angell agency of Richmond has resigned as Virginia state agent of the Seaboard Surety.

## COMPENSATION

### Extensive Rate Reductions May Be Made in Arkansas

LITTLE ROCK, ARK. — Reductions estimated at \$250,000 may be ordered by the National Council on Compensation Insurance from rates published when the new workmen's compensation system was established Dec. 5. Recommendations for reductions were prepared here by A. Z. Skelding, actuary, after the Arkansas senate appointed a special committee to investigate the rate schedule, about which complaint was made.

Mr. Skelding while here conferred with the senate committee and the state compensation commission. He was assisted by Louis Rosen of Williams & Rosen in preparing a new schedule for submission to the National Council.

Senator Hendrix Rowell, Pine Bluff, who was appointed committee chairman, charged in the senate that sawmill and other classifications were handicapped by rates higher than those in force prior to Dec. 5.

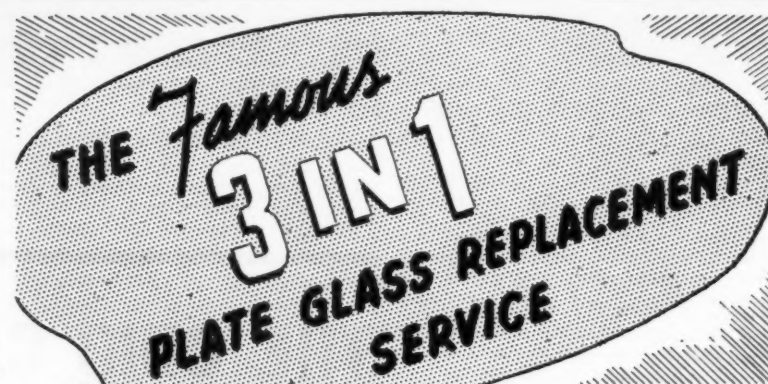
### Award on Murdered Union Official Upheld by Court

ST. PAUL—The Minnesota supreme court has held that P. J. Corcoran, a murdered Minneapolis union labor official, met his death in an accident "arising out of and in the course of his employment" and affirms the industrial commission's award of \$7,500 to Corcoran's widow. Western Casualty & Surety is the insurer. Corcoran, secretary-treasurer of a Minneapolis teamsters' union, was found murdered in November, 1937, after having attended a union meeting.

### Name Fla. "Technical Adviser"

TALLAHASSEE, FLA.—Boyce A. Williams, chairman Florida industrial commission, has appointed J. E. Chace of Gainesville to the newly created position of technical adviser. He will survey administrative and supervisory practices in connection with the Florida compensation law and will advise on proposed legislative amendments pertaining to experience rating and other compensation matters.

Mac Grigsby of Gainesville succeeds Mr. Chace as merit system supervisor.



# SPEED



# DEPENDABILITY



# RELIABILITY

All three factors — SPEED — DEPENDABILITY — RELIABILITY are necessary to give your plate glass insurance clients the finest plate glass replacement service in and near Chicago.

The American Glass Company gives your clients all three, through its fleet of fast, modern trucks, experienced workmen, a home office dedicated to serve your clients, BETTER. The American Glass Company has the experience and training to carry through for you, as well as your clients.

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## ASSOCIATIONS

### Two Cleveland Groups of Agents, Field Men Form

CLEVELAND—Following dissolution of the Casualty Underwriters Association of Cleveland, two local associations have sprung up, representing company men and agents respectively. The agents' group will be known as the Casualty Insurance Board of Cleveland and will function as a full-fledged board with full-time secretary and office headquarters. A constitution has been drawn up, and officers will be selected in the near future. Meantime, E. B. Berkeley and George I. Goodman, secretary of the old association, are functioning as acting president and secretary respectively. The old Casualty Underwriters Association of Cleveland was the oldest in the country.

### Sheely Los Angeles President

LOS ANGELES—The Casualty Underwriters Club of Los Angeles has elected these officers: President, Fred L. Sheely, Aetna Casualty; vice-president, Harold E. Berger, Zurich; secretary-treasurer, Hudson K. Smith, Fireman's Fund Indemnity.

### Discuss Comprehensive Forms

PITTSBURGH—The comprehensive public liability and automobile forms were discussed at the monthly meeting of the Casualty Insurance Association of Pittsburgh.

### Discuss Iowa Qualification Law

DES MOINES—The Des Moines Casualty & Surety Club at its February meeting discussed the proposed agents qualification and licensing law to be introduced in the Iowa legislature. H. W. Nixon, Maryland Casualty, presided.

### Minneapolis Claim Men Elect

MINNEAPOLIS—The Minneapolis Claim Men's Association has elected as president Logan Zabel, Employers Mutual; secretary, Wellington Tulley, Hartford Accident; treasurer, Paul Clement, Minnesota Commercial Men's Association.

### F. B. I. Man New Jersey Speaker

NEWARK — The Casualty Underwriters Association of New Jersey will hold a luncheon meeting Feb. 19 at which John T. Madigan, F. B. I. special agent, will tell the casualty men how they can assist during the present crisis.

called to active duty in the air corps at Selfridge field, Detroit. He is a graduate of Northwestern University. His cousin, Lieut. George O'Brien, claim department of Hartford Accident, Chicago, has also been assigned to the same field. He graduated from Northwestern last year and is now attending law school.

L. R. Christman of the liability department of Standard Accident of Detroit was made worshipful master of his Masonic lodge for 1941. He has been elected president of the Masonic Masters Association, which includes all

blue lodges in the Detroit metropolitan area.

L. K. Babcock, secretary of Aetna Life and Aetna Casualty, observed his 30th anniversary.

In his earlier days he was superintendent of the Topeka high school and later was secretary to former Governor Hanley of Indiana and to the mayor of Indianapolis. He joined Aetna as attorney in charge of the Indianapolis claim office. He was transferred to the home office in 1922 and elected secretary in 1923.

He is chairman of the automobile theft

committee of the Automobile Underwriters Detective Bureau in New York; a member of the claims executives committee of the National Council on Compensation Insurance and chairman of the advisory committee of the claims bureau of the Association of Casualty & Surety Executives.

C. E. Heath, vice-president and secretary of Standard Surety & Casualty, is in the Lutheran Hospital in New York, suffering from an infected hand caused through a bite from a spider. He received prompt medical attention and serious consequences were avoided.

**"Unforeseen events . . . need not change and shape the course of man's affairs"**

Another of The Maryland advertisements which are recognized to be outstanding in the field. It appears for the benefit of Maryland Casualty agents and brokers in:

TIME FORTUNE  
NEWSWEEK  
BUSINESS WEEK



## PERSONALS

William Brannan, totally blind, has completed the Aetna Casualty & Surety's five weeks school. Since leaving college, where he captained the wrestling team, Brannan has made his living selling life insurance in Chicago. With his "Seeing Eye" dog, Don, Mr. Brannan says he is able to locate prospects' offices. He majored in mathematics and can quote approximate rates from memory.

F. W. Franzen, vice-president of Commercial Casualty and Metropolitan Casualty, is confined to the Orange (N. J.) Memorial Hospital, where he has undergone an operation.

John Crowley, who has been underwriter in the New York office of Associated Indemnity, has been called for service in the army Feb. 20, and he is expected to be assigned to Fort Dix in New Jersey.

Lieut. William H. Moloney, assistant manager of the marine department of Fred S. James & Co., Chicago, and son of George H. Moloney, vice-president of Hartford Accident, has been

## BOLT FROM THE BLUE

No man can predict where lightning will strike . . . or when. It is a secret Nature never gives away.

But Nature holds no monopoly on the unpredictable. In the "perfectly safe places"—where danger seems remote—are unknown hazards which, as a result of injury to others, may spell serious financial loss to the business enterprise, the property owner, or both.

A recklessly operated elevator . . . a cracked sidewalk . . . an object under foot . . . a careless em-

ployee . . . can start in motion a chain of events which might prove costly to those who are liable.

Against the liability of these unforeseen events, the prudent business man—the owner of an office building, the storekeeper, the manufacturer—takes protection through liability insurance.

To him The Maryland now offers a new general liability policy that is remarkably comprehensive in its coverage of hazards and in its financial protection. Maryland Casualty Company, Baltimore.

## THE MARYLAND

*The Maryland writes more than 60 forms of Casualty Insurance and Surety Bonds. Over 10,000 Maryland Casualty agents and brokers can help you obtain protection against unforeseen events in business, industry and the home.*

## LEGISLATION

### Compulsory Auto Liability Bill Filed in Minnesota

ST. PAUL.—The much-heralded compulsory automobile liability bill has been filed in the Minnesota house. An initial effort to have it referred to the judiciary committee where it originated was defeated when Chairman Terwilliger of the insurance committee argued that it should go to his committee. Later it was decided to send it back to the judiciary committee for further study but it is likely that eventually it will be referred to the insurance committee.

The bill requires all motor car owners to file a certificate of financial responsibility either in the form of an insurance policy, cash or securities. A minimum indemnity of \$1,000 for one person and of \$2,000 for any one accident is provided. The policy need not provide indemnity for an employee or guest.

Rates are to be fixed by a rating bureau subject to the supervision of the insurance department. Assignment of rejected risks is provided.

A sharp fight is expected in the senate on the bill which has passed the house to exempt hospital service associations from control of the state insurance department.

### Flat Compulsory Auto Rate Proposals Are Rejected

BOSTON.—The insurance committee of the Massachusetts legislature at its initial hearing considered and then decided to report adversely on 18 bills, all practically identical, calling for a uniform state rate for compulsory automobile liability coverage. The bills received but seven votes when they came before the senate.

Virtually all the bills originated in and about Boston, the highest rated zone where a flat or uniform rate would reduce the cost of insurance by more than half. Several speakers declared there was so much dissatisfaction with the compulsory law that unless something is done, such as having a flat rate, the state would be compelled soon to establish a state fund for the coverage.

J. W. Downs, counsel Insurance Federation of Massachusetts, opposed all the bills. The supreme court has declared a flat rate unconstitutional, he said. The court ruled that if the Boston rate of \$69.82 was reduced to \$32, the average state rate, and the companies were compelled to accept Boston risks at that rate, they would have to pay out more than they took in on such risks which would constitute taking away property without due process of law.

The six Boston committee members, who dissented declared they would take the matter to the floor and endeavor to secure a reduction in the number of zones, at least.

Oregon.—A senate insurance committee bill authorizes the state or political sub-divisions to enter into group life, health or accident contracts with premiums to be paid jointly.

The house has passed a bill placing a 25 cents yearly tax on drivers licenses to raise funds for care and hospitalization of injured indigents.

H. B. 203 establishes a health insurance system with a 40 cents a week levy for each employee with \$6 to \$15 a week benefits up to 26 weeks, dependent on wage rate and number of dependents. When six months premium have been earned medical and hospital aid is provided.

H. B. 312 adds a new section to the financial responsibility law requiring persons involved in an automobile accident to put up security to satisfy any judgment which may result from the accident or driver and car licenses shall be suspended. Existing insurance policy is deemed security. The measure is patterned after the New Hampshire

act. The bill contemplates the formation of an "assigned-risks" plan.

S. B. 137 eliminates the necessity of filing rating schedules with the insurance department by casualty and surety companies. A similar amendment was defeated at the last session.

Two bills call for the complete revision of the compensation act. S. B. 161 backed by the lumber industry provides for a non-monopolistic state fund while S. B. 155 sponsored by labor provides for a monopolistic state fund with automatic coverage. S. B. 152 changes the present 40 percent refund and 30 percent penalty on experience rated compensation risks to 25 and 10 percent respectively. S. B. 157 adds illness or infection to compensation coverage. S. B. 160 provides increased benefits for dependents. H. B. 313 provides coverage for occupational diseases.

Indiana.—S. B. 5 abolishes the present industrial board which administers the compensation act and creates in its place a five-man board, no more than three to be of the same political party. It has passed the senate.

S. B. 24 liberalizes compensation benefits, increasing weekly benefits, providing unlimited medical care, raising maximum compensation to \$10,500, providing temporary total up to 64 weeks in addition to specific losses, and numerous other amendments. Several other bills introduced also have like purpose in varying degrees.

S. B. 127 requires municipalities having volunteer fire companies to procure insurance on members. H. B. 145 requires cities with paid fire departments to pay hospital and physician expenses of firemen injured or who contract illness in performance of work.

Nebraska.—A bill providing for minimum and uniform compensation rates has been introduced. Insurers would belong to a bureau which would survey and classify risks and report to the insurance director schedules of minimum rates for his approval.

Two other compensation bills empower the compensation court to approve lump sum settlements and require all changes in coverage be submitted to the court for its approval; coverage would be extended to firemen injured outside of municipalities when ordered to go beyond limits.

Accident and health companies would be required to make a deposit in a stabilization fund before being licensed. Another bill authorizes organization of non-profit hospitalization associations with insurance department approval.

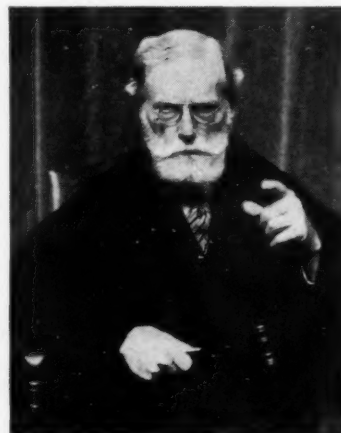
County boards would be empowered under another bill to require bonds of all employees handling public moneys, county to pay premiums limited to 1 percent of indemnity purchased.

Tennessee.—With the legislature scheduled to adjourn this week, a strong fight is being made by the Tennessee Association of Insurance Agents to secure passage of a guest liability measure. The bill has passed two readings and is now in the hands of the judiciary committee.

Colorado.—S. B. 2, relieving liquor dealers, retail stores and other holders of retail liquor licenses from posting bond was passed by the senate on second reading. The present law requires holders of liquor licenses to provide a \$1,000 bond for the package liquor store, \$2,000 for the by-the-drink establishments. Two years ago the bill was passed by both houses, but was vetoed by the governor. In doing so, Governor Carr stated he believed the presence of the bond served to make liquor dealers more conscious of the law and abide more strictly by it.

### New Alabama Adjuster Suit

MONTGOMERY, ALA.—Action challenging the right of W. L. Macey, adjuster, to "practice law" in Montgomery was brought in circuit court here in a petition signed by Attorney-General Lawson and four local attorneys. It asked that Mr. Macey "be prohibited from practicing the profession of law in Montgomery county until he has complied with the law."



HEAR YE!  
HEAR YE!  
HEAR YE!

No. 21941  
TITIOUS vs WARY et al

"We the jury, find the defendant, O. B. Wary, owner of the Semaphore Tavern, and A. M. Biguous, owner of the building, 'Guilty,' and assess the plaintiff's damages in the sum of \$12,500 and costs."

### THE ILLINOIS DRAM SHOP ACT

MAY BE THE CAUSE OF

FINANCIAL RUIN

TO EVERY TAVERN KEEPER

AND THE OWNER OF EVERY BUILDING IN WHICH LIQUOR IS SERVED, WHETHER IT BE TAVERN, CLUB OR RESTAURANT.

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## Three Managerial Shifts by Ocean

NEW YORK—Ocean Accident and Columbia Casualty announce appointment of Ralph C. Kelley as resident manager of the Philadelphia office to succeed L. E. Shallberg, resigned to join Zurich as Philadelphia manager.

Mr. Kelley entered the employ of these companies in July, 1922, in the claim department at Indianapolis. In 1928 he was transferred to Peoria as superintendent of the claim department in charge of claims for southern Illinois. On the death of Floyd Correll, Indianapolis branch manager, Mr. Kelley took charge of that office in April, 1937, a position he had filled until his transfer to Philadelphia.

Debois Page, Jr., for the past three years in charge of the Washington office of Ocean Accident and Columbia Casualty, has been advanced to assistant manager of the metropolitan office of the companies in New York. At Washington he is succeeded as resident manager by Willard M. Brown, Jr., previously special agent in northern New Jersey. Mr. Page first became connected with the companies as underwriter at the Boston office in 1933, being promoted to the Washington office five years later. Mr. Brown before taking the field for the companies in 1939 was associated with a general agency office.

## U. S. Insurers Proscribed List in Canada Named

TORONTO—Superintendent Finlayson of Canada in his blue book for 1939, just published, reveals that the following insurers in the United States are on the prohibited list insofar as the use of the Canadian mails is concerned:

American Travelers of Indianapolis; American Life & Accident, St. Louis; Associated Adjusters, Milwaukee; Burbank Mutual Life & Benefit, Los Angeles; Capital Mutual Benefit, Denver; Minnesota Commercial Men's, Minneapolis; Pioneer Mutual Benefit, Phoenix, Ariz.; Postal Life & Casualty, Kansas City; Prudence Mutual Benefit, Jersey City; Sterling Casualty, Chicago; Travelers Health, Omaha.

Mr. Finlayson states that while no new cases developed, the following companies in the United States have undertaken to refuse to issue further policies to Canadians:

Alliance Mutual Life, Santa Ana, Cal.; American Aid Association, South Bend; Arcadia Mutual Casualty, Chicago; Commercial Travelers Boston Benefit, Boston; Commercial Travelers Eastern Accident, Boston; Connecticut Commercial Travelers Mutual Accident, New Haven; Family Mutual Benefit, Phoenix; Great Western Mutual, Phoenix; Guaranty Union Life, Beverly Hills, Cal.; Illinois Commercial Men's, Chicago; Illinois Traveling Men's Health, Chicago; Iowa State Traveling Men's, Des Moines; Monarch Protective, Camden; National Aid Life, Springfield, Ill.; National Protective, Kansas City; National Security, Beverly Hills; Penn-Jersey Beneficial, Camden; Provident Aid Society, South Bend; States Mutual Aid, Mishawaka, Ind.; T. B. A. American Benefit, Lafayette, La.; United of Chicago (century policy department) Elgin, Ill.; and World, Omaha.

## American Surety Conferences

NEW YORK—A series of sales conferences for the benefit of branch managers of American Surety will be held in the board room of the head office Thursday and Friday.

### WANTED

Have client interested in acquiring small casualty or automobile company, mutual or stock. Give full particulars. Same will be held in strict confidence. Address M-84, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

## U. S. Manager Mitchell of General Accident Dies

James Free Mitchell, 63, United States manager of General Accident, died Sunday at his home in St. Davids, Pa. He had been in ill health for about five years although he went to the office for a few hours practically every day. Had he lived until the end of this year, he would have observed his 25th anniversary with General Accident. The flag atop the head office building in Philadelphia was put at half staff and Tuesday, the day of the funeral, the building was closed. Interment was in Valley Forge Memorial cemetery. Among pallbearers were several colleagues in the General Accident.

Mr. Mitchell was a shy, retiring, modest man whom all loved and respected. He was born at Baltimore in 1877, educated in the public schools there and graduated from Baltimore City College. He joined the home office of Maryland Casualty as an office boy, quickly showed his aptitude for the business and within a few years had become secretary. He resigned late in 1916 to become assistant United States manager of General Accident and in April, 1935, was made United States manager. His entire business career was spent in

the casualty end and with only the two companies.

Mr. Mitchell was considered an outstanding casualty man and was accorded the bulk of the credit for the General's remarkable success in this country. He gave especial attention to underwriting and was known as an outstanding statistician in the business. He was a charter member of the Casualty Actuarial Society, and active in the Insurance Institute.

## Recover Stolen Butter Cargo

Twelve hundred pounds of stolen butter were recovered in Chicago when officials of De Mand & Co., wholesale butter and egg firm, became suspicious.

The butter was stolen from the Wapsie Valley Creamery, Masonville, Ia., and shipped by railroad to Chicago in the name of the Jones Brothers Produce Company, East Dubuque, Ia. A Bob Green attempted to sell the butter. Officials of De Mand & Co. notified police, and when Green called back to collect for the butter he was seized by detectives from the state's attorney's office. He later was identified as Byron Green, recently released from a Minnesota penitentiary after serving a term for burglary.

Ohio Casualty was on the risk.

## American Automobile Field Managers Hold Meeting

Field managers of American Automobile from all parts of the United States and Canada gathered in St. Louis last week for the annual conference with home office executives. There were morning and afternoon business sessions on Wednesday, and Thursday was devoted to individual conferences between the visiting managers and home office department heads.

## Banquet Is Climax

The conference was climaxed with a banquet Thursday night which 100 attended. Following an address of welcome by O. L. Schleyer, president, and a short program presided over by Otto Patterson, executive vice-president, the evening was devoted to entertainment. Twenty members were initiated into the Rough Riders, an intra-company fun-making organization. This was followed by an "Information Please" type of program, which was described as "Miracle Men Masquerade."

Robert I. Catlin, vice-president Aetna Casualty, is now convalescing at his home after a severe illness, which culminated in pneumonia.

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REINSURANCE, MERGERS,  
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**CASUALTY COMPANY**  
CHICAGO, ILLINOIS

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## NEWS OF THE CASUALTY COMPANIES

### Travelers Units Ready for Anticipated Boom

During 1940 benefits paid by the Travelers companies amounted to \$111,355,621, bringing the total since organization just under the two billion mark. More than half of the aggregate was paid out during the past 10 years when funds were urgently needed.

The number of payments made to policyholders and beneficiaries during the year reached a new high figure of 1,249,487. This meant the issuance of more than 4,000 checks and drafts per business day.

For accident prevention, fire prevention and inspection services, the companies paid \$1,951,847 during 1940, bringing the total since organization to \$47,669,676. In these days when accidents in factories and delays in transportation can create bottlenecks in defense preparations, accident and fire prevention is a service to the nation, President Zacher observes.

Assets of Travelers are \$1,098,664,026, an increase of \$59,461,383; A. & H. reserve is \$12,432,706, compensation and liability reserves \$51,501,897; capital \$20,000,000 and net surplus \$45,759,513, increase \$4,640,428.

Assets of Travelers Indemnity were \$31,297,247, increase, \$978,491; premium and claim reserve \$12,775,178; capital \$3,000,000 and net surplus \$6,977,137, decrease \$405,339.

Assets of Travelers Fire were \$28,120,370, increase \$762,670; premium and claim reserves \$15,757,993; capital \$2,000,000 and net surplus \$6,279,320, increase \$46,144.

Assets of Charter Oak Fire were \$2,910,135, increase \$1,589,243; capital \$1,000,000 and net surplus, \$1,266,452, increase \$952,739. The capital of Charter Oak was increased from \$500,000 to \$1,000,000 during the year and \$700,000 was paid into surplus account.

"The trend of rates for insurance in recent years," Mr. Zacher said, "has been downward on property lines, such as fire and burglary, downward on liability and workmen's compensation and upward on life insurance. Much of the good conservation work done by insurance companies, by voluntary organizations and by public agencies is bearing fruit in the form of reduced costs on many lines."

From both organizational and financial standpoints the Travelers companies find themselves well prepared for the present period of unusual business activity, he observes. In both the home office and in the branches are adequate staffs well trained to handle the additional business anticipated and each of the four companies is prepared to set up the reserves that unusual growth would require. Extraordinary activity can be expected in some of the casualty lines and material progress in fire insurance. Conditions are also favorable to the expansion of group life, accident, sickness and hospitalization lines.

### Indemnity of North America Has Big Plus Signs

Handsome increases are recorded by Indemnity of North America in its new annual statement. Assets increased by more than \$2,500,000 and net surplus is nearly \$1,000,000 higher. Claim reserves and premium reserves are each about \$700,000 higher.

Assets are now \$35,279,088, claim reserve \$13,443,345, premium reserve \$7,428,611, capital is \$2,500,000, there is a general voluntary reserve of \$1,000,000 and net surplus is \$8,463,261. At market assets and surplus would be about \$800,000 greater.

### Continental Moves to Increase Capital by \$500,000

Stockholders of Continental Casualty at a special meeting March 10 will vote on a proposal to increase the authorized capital from \$2,000,000 to \$2,500,000 and to authorize the directors in their discretion, to sell 100,000 additional shares of a par value of \$5 each.

Capital of Continental Casualty was increased from \$1,750,000 to \$2,000,000 in 1939 by declaration of a stock dividend. Until 1932, capital of Continental Casualty had been \$3,500,000.

#### Message from Behrens

Chairman H. A. Behrens of Continental Casualty tells stockholders that the continued growth of business and the prospective further expansion have convinced the directors of the desirability of increasing capital-surplus. He points out that in the eight years ending Dec. 31, 1940, Continental Casualty's business has practically doubled, so that it now ranks fifth in volume among all American stock casualty companies. It has also practically doubled its capital-surplus out of earnings. Increased opportunities now confronting Continental Casualty indicate to the directors the desirability of accelerating the growth of the capital base by the issuance of additional stock.

If the stockholders approve, Mr. Behrens states, the directors intend, if and when market conditions permit and subject to registration under the securities act, to make arrangements with satisfactory investment bankers to underwrite the additional stock so that the outstanding number of shares will be increased from 400,000 to 500,000.

Mr. Behrens observes that the sale of additional stock will result in some dilution of earnings and of liquidating value per share of present stock. On the other hand the strengthening of the capital base will permit the directors to view more liberally the relation of current earnings to dividends to shareholders.

The present shareholders, he states, would be given a reasonable priority in the purchase of stock. The present shareholders would thus have an opportunity to preserve their pro rata interests in the company.

### F. & D. Makes Gain in Assets, Surplus

The annual statement of Fidelity & Deposit shows assets of \$26,457,726, an increase of \$1,174,367.

Total bonds and stocks were \$19,738,599, against \$19,172,500 at the end of 1939. Cash and deposits stood at \$3,423,547, against \$2,537,394 in 1939.

During the year \$1,346,789 was added to surplus, which now stands at \$10,501,584.

At market the assets would be increased to \$27,479,985, and net surplus to \$11,523,842.

Gross premium written amounted to \$13,267,692, a decrease of \$594,381.

### Premiums of Western Group Increase Substantially

Western Casualty & Surety and Western Fire of Fort Scott, Kan., wrote premiums of \$3,924,137 in 1940, a gain of \$188,930. Western Casualty premiums gained \$85,000 and it made a statutory underwriting profit of \$146,804. Loss payments were \$24,000 less than in 1939.

Western Fire had the biggest year in history with premiums of \$854,086, a gain of \$103,930. There was a statutory underwriting loss of \$37,000 due to an

increase of \$73,000 in unearned premiums.

Cash income of the two companies combined exceeded cash disbursements (including \$67,500 dividends) by \$434,000. Investment income increased from \$103,658 to \$124,105. The two companies reported \$863,598 cash and \$2,814,783 bonds.

### Mass. Bonding Has Strong Year

Massachusetts Bonding reports combined net earnings in 1940 of \$1,512,612, representing \$9.45 per share on the 160,000 outstanding shares. This compared with combined net earnings in 1939 equal to \$9.33 a share.

Of the combined net earnings \$4.64 per share was derived from underwriting, and \$4.81 was from interest, dividends and rents. Net premium writings were \$13,849,852. After payment of \$560,000 in dividends to stockholders a total of \$550,188 was added to surplus, bringing capital and surplus to \$6,608,455, in addition to voluntary reserve of \$1,250,000.

At the close of the year assets were \$23,072,468, of which \$2,143,510 was in cash, and \$3,909,292 in United States government bonds.

#### To Liquidate Wisconsin Mutual

MADISON, WIS. — Liquidation of the Wisconsin Mutual of Madison has been ordered by Judge Hoppmann in circuit court here, after several weeks' consideration of the petition of Commissioner Duell to take over the mutual.

Company representatives admitted at court hearings that it was insolvent but indicated they might raise \$30,000 of new capital said to be necessary to restore it to a sound condition. Under a reorganization in 1938, E. A. Piepenbrink, formerly of Milwaukee, became president; J. T. Hally, formerly of Detroit, vice-president and secretary; and E. M. Alstad, treasurer. It is said that much of the insurance the company has been writing consisted of "financial responsibility" risks on persons required by law to carry insurance in order to retain their drivers' licenses after conviction for motor law offenses of certain types.

#### First Statement Is Issued

The first annual statement of New England Casualty has now been issued, and shows assets \$1,505,525, premium reserve \$40,476, loss reserve \$2,981, capital \$750,000 and net surplus \$705,059. This company is owned by Springfield F. & M. The management desires to operate the casualty company conservatively and so far has accepted business only in New England and New York state. It is licensed in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont.

New England Casualty did not commence to accept business until May of last year. The cost of setting up the company together with large reserves in proportion to premiums written with no compensating earned premiums from the previous year resulted, as expected, in an underwriting loss. New England Casualty has appointed 41 agents in New England and 31 in New York state.

#### Great American Indem. Reports

Great American Indemnity in its new annual statement shows an increase of assets of \$904,821, the figure now being \$19,363,233. Premium reserve is \$4,120,367, an increase of \$79,132. Claim reserve is \$7,500,080, up \$252,158. Capital remains at \$1,000,000 and net surplus is \$5,947,828, an increase of \$595,476.

#### Bankers Indemnity in Gain

Bankers Indemnity of the American of Newark group reported assets of \$7,513,208 for 1940, an increase of \$73,482. Unearned premium reserve was

\$2,245,319, an increase of \$107,945 for the year. Reserve for losses was shown as \$2,912,832, compared with \$2,883,462, a gain of \$29,370. General voluntary reserve was \$505,284. Capital and surplus continued at \$1,500,000.

#### Great Central Mutual Moves

Great Central Mutual, Peoria, Ill., writing burglary lines, has moved into larger quarters on the 12th floor of the Alliance Life building. The new office space is double that formerly occupied. Great Central Mutual had a 60 percent gain in premium income in 1940 over 1939.

The Illinois National Casualty of Springfield, Ill., is expanding its offices to take over the second floor of the St. Nicholas hotel annex. It has been using the first floor.

Allied Mutual Cas., Inc.: Assets, \$875,961; inc., \$184,474; unearned prem., \$352,741; loss res., \$46,250; liab. res., \$190,582; surplus, \$265,575; inc., \$64,504. Experience:

	Net Pmts.	Losses Pd.
Auto P. L. ....	\$ 314,009	\$ 78,677
Auto P. D. ....	174,651	56,481
Auto fire and theft..	41,228	9,418
Collision .....	169,812	75,330
Comprehensive .....	102,413	43,129
Cargo .....	12,042	5,497
A. M. P. ....	12,976	1,946
Total .....	\$ 827,134	\$ 268,481

Business Men's Assurance — Assets, \$22,118,393; inc., \$2,278,689; unearned prem., \$492,411; loss res., \$1,551,282; non-canc. A. & H. res., \$82,186; capital, \$500,000; surplus excluding \$300,000 assigned for asset fluctuation, \$1,143,512; inc., \$109,563. Experience:

	Net pmts.	Losses pd.
Accident .....	\$ 919,410	\$ 426,562
Health .....	1,318,870	892,306
Non-canc. H. & A. ....	73,358	46,853
Total .....	\$2,311,638	\$1,365,722

Celina Mut. Cas. — Assets, \$1,231,286; inc., \$116,134; unearned prem., \$352,632; loss res., \$70,128; liab. res., \$278,816; surplus, \$376,682; inc., \$20,167. Experience:

	Net Pmts.	Losses Pd.
Auto liability .....	\$ 393,223	\$ .....
Auto fire .....	24,862	637
Cargo .....	185	.....
Auto theft .....	20,126	270
Auto tornado .....	4,612	127
Auto prop. damage.	158,128	55,001
Auto collision .....	126,984	12,065
Comprehensive .....	51,514	2,029
Total .....	\$ 779,634	\$ 70,129

Conn. Indemnity — Assets, \$2,048,893; inc., \$210,549; unearned prem., \$482,138; loss res., \$55,155; liab. res., \$338,296; comp. res., \$4,164; capital, \$500,000; surplus, \$574,868; inc., \$12,651. Experience:

	Net Pmts.	Losses Pd.
Auto liability .....	\$ 661,886	\$ 235,857
Other liability .....	25,375	1,770
Workmen's comp. ..	14,387	1,410
Plate glass .....	4,185	202
Burglary and theft.	6,417	215
Auto prop. damage.	202,622	96,608
Auto collision .....	5,735	1,637
Total .....	\$ 920,610	\$ 337,702

Erie Ins. Exch. — Assets, \$548,287; inc., \$35,805; unearned prem., \$177,985; loss res., \$19,164; liab. res., \$108,863; surplus, \$215,409; dec., \$2,030. Experience:

	Net Pmts.	Losses pd.
Accident .....	\$ 4,319	\$ 971
Auto liability .....	261,607	101,761
Fire .....	6,539	18
Auto prop. damage.	155,672	59,443
Auto collision .....	49,633	18,018
Other auto .....	45,696	10,466
Total .....	\$ 523,470	\$ 190,679

Farmers Auto Inter-Ins. Exch. — Assets, \$6,614,716; inc., \$1,047,297; unearned prem., \$1,909,612; loss res., \$391,080; liab. res., \$1,137,191; surplus, including voluntary, \$2,712,409; inc., \$789,579. Experience:

	Net Pmts.	Losses Pd.
Auto liability .....	\$2,633,162	\$1,144,779
Auto prop. damage.	1,303,459	477,320
Auto collision .....	2,411,125	1,117,921
Other auto .....	853,631	308,662
Total .....	\$7,201,377	\$3,048,682

Ft. Worth Lloyds — Assets, \$245,335; inc., \$13,263; unearned prem., \$50,045; loss res., \$1,849; liab. res., \$11,306; comp.



res., \$16,879; guaranty fund, \$130,000; surplus, \$26,907; dec., \$9,591. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$ 16,456	\$ 14,057
Other liability .....	1,957	678
Workmen's comp. ....	15,597	4,958
Fidelity .....	612	.....
Plate glass .....	1,241	809
Burglary and theft. ....	594	.....
Explosion .....	57	.....
Auto prop. damage. ....	5,444	2,244
Auto collision .....	12,453	6,778
Other P. D. and coll. ....	92	191
Other auto .....	13,452	11,360
Total .....	\$ 67,955	\$ 41,075

**Grange Mut. Cas.**—Assets, \$274,540; inc., \$73,511; unearned prem., \$75,291; loss res., \$22,748; liab. res., \$40,948; surplus, \$131,464; inc., \$35,625. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$ 829	\$ 191
Auto liability .....	120,246	49,273
Drivers' accident. ....	3,521	365
Auto fire and theft comprehensive .....	26,326	6,418
Auto prop. damage. ....	51,642	31,054
Auto collision .....	75,918	53,108
Total .....	\$ 278,482	\$ 140,409

**Harleysville Mut. Cas., Pa.**—Assets, \$3,512,330; inc., \$212,545; unearned prem., \$836,777; loss res., \$1,498,253; res. for taxes, bills, etc., \$50,825; voluntary res., \$287,118; surplus, \$839,355; inc., \$36,433. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$1,200,051	\$ 476,137
Auto prop. damage. ....	484,409	262,802
Total .....	\$1,684,461	\$ 738,939

**Hartford Livestock**—Assets, \$1,483,568; inc., \$43,154; unearned prem., \$257,664; loss res., \$38,180; capital, \$500,000; surplus, \$626,673; inc., \$53,446. Experience:

	Net Prems.	Losses Pd.
Livestock .....	\$ 553,459	\$ 345,442

**Hardware Mut. Cas.**—Assets, \$14,400,176; inc., \$1,195,289; unearned prem., \$4,703,317; loss res., \$375,427; liab. res., \$3,471,035; comp. res., \$1,792,384; guaranty fund, \$500,000; surplus, \$2,332,709; inc., \$263,980; general voluntary reserve, \$470,000. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$ 5,182,397	\$ 1,983,472
Auto liability .....	561,556	123,299
Other liability .....	2,996,481	1,424,250
Workmen's comp. ....	188,192	74,150
Plate glass .....	158,468	29,672
Burglary and theft. ....	1,547,874	650,237
Auto prop. damage. ....	858,651	370,852
Auto collision .....	51,244	8,441
Other P. D. and coll. ....	.....	.....
Total .....	\$11,544,863	\$4,666,013

**Insurers Indemnity**—Assets, \$914,634; inc., \$85,851; unearned prem., \$111,276; loss res., \$5,616; liab. res., \$52,978; comp. res., \$146,987; capital, \$250,000; surplus, \$250,000; inc., \$10,210. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$ 68,026	\$ 28,385
Other liability .....	22,494	470
Workmen's comp. ....	312,362	146,246
Plate glass .....	4,239	1,482
Burglary and theft. ....	4,124	606
Auto prop. damage. ....	26,079	13,168
Auto collision .....	425	542
Other P. D. and coll. ....	7,033	67
Total .....	\$ 444,782	\$ 190,966

**International Trav. Assur.**—Assets, \$537,998; inc., \$48,570; unearned prem., \$16,157; loss res., \$8,930; capital, \$100,000; surplus, \$50,648; dec., \$12,479. Experience:

	Net Prems.	Losses Pd.
Accident & health. ....	\$ 93,270	\$ 52,345

**Kentucky Central L. & A.**—Assets, \$2,226,444; inc., \$221,115; unearned prem., \$16,111; loss res., \$23,428; capital, \$400,000; surplus, \$232,034; inc., \$43,039. Experience:

	Net Prems.	Losses Pd.
Accident and health. ....	\$1,628,955	\$ 655,467

**London & Lanc. Indemnity**—Assets, \$6,493,368; inc., \$50,716; unearned prem., \$1,891,099; loss res., \$335,707; liab. res., \$1,373,686; comp. res., \$501,778; capital,

\$750,000; surplus, \$1,221,352; inc., \$22,400. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$ 291,542	\$ 121,950
Health .....	14,280	3,756
Auto liability .....	1,100,880	513,514
Other liability .....	902,225	242,486
Workmen's comp. ....	426,916	239,646
Fidelity .....	48,464	26
Surety .....	210,309	57,610
Plate glass .....	159,138	44,275
Burglary and theft. ....	250,488	43,772
Auto prop. damage. ....	318,504	146,934
Auto collision .....	20,115	7,866
Other P. D. and coll. ....	12,596	3,581
Total .....	\$3,755,457	\$1,425,416

**Mercer Casualty**—Assets, \$1,152,921; inc., \$30,012; unearned prem., \$263,070; loss res., \$47,493; liab. res., \$196,077; capital, \$250,000; surplus, \$283,340; inc., \$16,891. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$ 16,661	\$ 1,070
Auto liability .....	282,211	.....
Other liability .....	6,872	.....
Auto fire .....	16,136	500
Cargo .....	3,800	25
Plate glass .....	11,501	413
Auto theft .....	13,772	1,566
Auto tornado .....	2,025	4
Auto prop. damage. ....	110,643	35,294
Auto collision .....	79,325	7,475
Other P. D. and coll. ....	345	50
Comprehensive .....	30,982	1,096
Total .....	\$ 574,273	\$ 47,493

**Michigan Mutual Auto**—Assets, \$259,998; inc., \$7,371; unearned prem., \$104,256; loss res., \$16,319; liab. res., \$39,150; surplus, \$61,073; inc., \$7,149. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$ 87,396	\$ 47,934
Auto prop. damage. ....	48,956	27,209
Auto collision .....	41,608	25,793
Other auto .....	26,142	6,312
Total .....	\$ 204,102	\$ 107,249

**Motorists Mutual, O.**—Assets, \$1,086,612; dec., \$11,274; unearned prem., \$372,855; loss res., \$85,501; liab. res., \$303,153; surplus, \$260,158; inc., \$5,445. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$ 38,317	\$ 8,950
Auto liability .....	430,834	139,298
Other liability .....	618	.....
Fire, theft and wind. ....	133,999	35,884
Auto prop. damage. ....	189,308	92,271
Auto collision .....	208,282	104,716
Other P. D. ....	90	.....
Total .....	\$1,001,448	\$ 381,119

**National Auto**—Assets, \$6,627,414; inc., \$705,758; unearned prem., \$1,832,909; loss res., \$154,272; liab. res., \$311,276; comp. res., \$2,127,443; capital, \$300,000; surplus, \$1,259,644; inc., \$532,701. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$ 389,474	\$ 172,275
Other liability .....	230,832	55,004
Workmen's comp. ....	2,190,010	934,742
Fidelity .....	8,556	1,725
Surety .....	116,906	44,614
Plate glass .....	23,481	9,720
Burglary and theft. ....	20,771	2,154
Auto prop. damage. ....	127,349	64,689
Auto collision .....	720,688	247,190
Other P. D. and coll. ....	18,922	1,658
Other auto .....	365,680	130,709
Total .....	\$4,212,673	\$1,664,485

**Natl. Life & Accident**—Assets, \$83,468,930; inc., \$10,861,092; unearned prem., \$217,777; loss res., \$67,125; non-can. A. & H. res., \$1,698,834; capital, \$5,000,000; surplus, \$5,443,287; inc., \$189,717. Experience:

	Net Prems.	Losses Pd.
Accident & health. ....	\$7,449,256	\$3,514,706

**Natl. Casualty**—Assets, \$5,524,446; inc., \$155,954; unearned prem., \$1,238,694; loss

(CONTINUED ON PAGE 37)

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Reserve for Losses .....	4,594,168.33
All Other Liabilities .....	2,999,879.26
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## New Edition of Fire Protection Handbook Ready

The ninth edition of the "Crosby-Fiske-Forster Handbook of Fire Protection," published by the National Fire Protection Association, now available, is complete and thoroughly up-to-date. It

may be purchased from N. F. P. A. headquarters, 60 Batterymarch street, Boston, for \$4.50.

Examples of sections of the handbook which are completely new are: Detailed information concerning the hazards and fire protection of air conditioning systems; an entire chapter relating to mine fires and explosions; quantities of ma-

terial about special extinguishing systems; and many other items.

In addition, each chapter has undergone numerous revisions and changes since the edition of five years ago. Notable among these are: The table of properties of flammable gases and solids which has been thoroughly revised; the chapter dealing with electricity which

now contains a considerable amount of new information including the hazards of static charges; several chapters relating to automatic sprinkler protection; and all sections of the book which deal with either public or private fire protection. All tables, charts, and diagrams in this edition have been brought up to date.



# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Michigan Midyear Attracts Interest

LANSING, MICH.—A record-breaking attendance and a program covering a wide range of timely subjects is in prospect for the annual mid-year meeting of the Michigan Association of Insurance Agents here Feb. 20-21.

Major speakers, in addition to Commissioner Berry, who will address the luncheon session on Feb. 21, will be: E. L. Stephenson, Chicago manager Associated Aviation Underwriters; H. R. Thiemeyer, manager Chicago brokerage department North America; Oscar Beling, superintendent agency systems department Royal-Liverpool group; H. E. Taylor, advertising manager American of Newark, and Roy L. Davis, Chicago manager Association of Casualty & Surety Executives. D. A. Forbes, Grand Rapids, state president, will preside.

An executive committee meeting will start at noon Feb. 20 followed by an automobile insurance study committee meeting in charge of A. I. Dreifus, Detroit, chairman.

The insurance advisory committee to credit men will meet with Dewitt R. Hoadley, Lansing, chairman.

In the evening an informal dinner will be held with Governor Wagoner, Commissioner Berry and legislators as guests.

Later in the evening the law and legislation committee, Clyde B. Smith, Lansing chairman, and the agents' advisory committee, L. A. Dudley, Battle Creek, chairman, and other committees will meet.

At the Feb. 21 morning session "Aviation Insurance Coverages" will be covered by Mr. Stephenson; "Our Nearest Relative—the Credit Man," Mr. Taylor; "U. & O. Underwriting and Adjustment Problems," Mr. Thiemeyer.

Following the luncheon with greetings from Commissioner Berry, Mr. Beling will talk on "Agency Management, Costs and Records" and Mr. Davis on "Casualty and Surety Problems—Comprehensive Liability Policy."

There will be a symposium in charge of automobile study committee, presenting information on compulsory insurance and financial responsibility laws followed by a "True and False" quiz.

### Several Occupancies Involved in Fargo Fire

FARGO, N. D.—Insurance loss estimated at from \$150,000 to \$200,000 was caused in a fire that started in the basement of the Golden Maid Cafe. Several occupancies were involved and there was exposure loss due to smoke and water to adjoining properties. The principal buildings that were damaged are in the name of Herbert Realty Company and insurance on the buildings was \$175,000 with a loss estimated at \$100,000. Insurance on contents of the Golden Maid Cafe was \$32,500 and the loss is total. There was total loss to \$5,000 insurance on the Arlen Shop, bad water and smoke damage to Stevenson's Ready-to-Wear which had \$10,000 insurance and Crescent Jewelry Store with \$20,000 insurance suffered heavy smoke damage. There was also damage to the Dotty Dunn Hat Shop and Broadway Pharmacy.

The buildings in which the fire occurred were constructed just after the Fargo fire of 1893 when much of the property between the tracks on Broadway was destroyed. All the property affected by the fire is actually owned by the Moody family.

### Sabotage Topic at Cleveland Rally

CLEVELAND — The Insurance Board of Cleveland, Cleveland Safety Council and department of public safety of Cleveland are sponsoring an important meeting here next Wednesday noon on the question of fire prevention from the possible sabotage standpoint. The main speaker will be E. P. Coffey, chief of the technical laboratory at Washington of the Federal Bureau of Investigation.

The attendance is expected to be at least 600. Insurance men from throughout Ohio are urged to attend.

This is the second meeting of its kind to be held in the country. The first was in Boston and it aroused much public interest. Mr. Coffey's address will be broadcast over radio station WHK at 1 p. m. Tickets for the luncheon may be obtained from the Insurance Board of Cleveland.

Among the organizations supporting the luncheon are the Cleveland Association of Casualty Managers, Cleveland Field Club, Ohio Fire Underwriters Association and a number of civic organizations.

### Rockford Day Program Arrangements Completed

The program for the Rockford Insurance Day to be held Feb. 19, will start at 3 p. m. Roy L. Davis, assistant manager of Casualty & Surety Executives Association, Chicago, will talk on "Is Compulsory Automobile Insurance Necessary?" A general discussion is to follow. Boyce W. Rouse, assistant manager of the casualty department of Travelers, Chicago, will talk on "Liability Sales."

After a social hour and a dinner, Harold Greenberg, executive general adjuster of Western Adjustment and Inspection Company, will show motion pictures of the grain elevator fire in Chicago.

### Revise Mahoning County Setup

YOUNGSTOWN, O.—Mahoning county commissioners have made slight revisions in their original allotment of fire insurance totaling \$380,600 on county properties. The insurance, for three years, represents one-third of the county's total coverage. Amounts placed with three of the agencies were reduced and two new ones were added. The total premium is \$4,270.

### Emery to Talk in Toledo

TOLEDO—J. G. Emery, former Michigan commissioner, will be the principal speaker at the annual banquet of the Toledo Association of Insurance Agents Feb. 17. K. C. Rowland is president of the association.

### Buyers to Hear Anderson

KANSAS CITY—W. C. Anderson, assistant manager Missouri Inspection Bureau, St. Louis, will speak on "Insurance and the Present Emergency" before the Insured Buyers Conference of the Associated Industries of Missouri here Feb. 18.

He will outline the various forms of war risk insurance and special insurance problems arising out of the national defense program.

### Roll of Honor for Service Men

CLEVELAND—Following its resolution to protect the business of members called to the colors and to place their names on a roll of honor, the In-

surance Board of Cleveland has placed seven names on such a roll. They are A. R. Davis II, Albert Rees Davis Co.; E. P. Kirby, E. H. Sutton agency; W. B. Pinney, Pinney Insurance Agency; R. H. Smith, Jr., H. V. Luce agency; Otto Fleming, Jr., O. R. Fleming agency; H. C. Fleisher, D. J. Garson & Son, and W. L. McPheeters, Jr., Stone Insurance Agency.

### Springfield, Ill., Agency Moves

Funkhouser-Smith, Inc., Springfield Ill., general agency, has moved its offices to the Moore building, owned by C. A. Moore & Associates, insurance adjusters. The agency was formerly in the Myers building.

### Kansas 1940 Losses High

Kansas fire losses for 1940 were \$2,799,528, an increase of 6 percent over 1939. Approximately 25 percent were farm losses. This is the heaviest annual loss in Kansas since 1936.

### Lou Clark Has New Company

The Lou W. Clark general agency of Omaha has been appointed general agent for Merchants & Manufacturers of New York for all lines for Iowa and Nebraska. This is in addition to Mr. Clark's present representation of the Pearl-American fleet.

### Plan Fire Defense Measures

LANSING, MICH.—Michigan's fire-fighting forces are launching plans to provide a maximum of protection in event of any war emergency. A committee of the state fire chiefs' association is to meet this month to outline a projected program including cooperation between departments of the various industries; development of new equipment such as has been found practicable in beleaguered England, including motorcycle-drawn units and rigging for removal of bombs from buildings; provisions for mobilization of auxiliary firemen to be called in emergencies.

Preliminary steps are under way toward arranging a course in modern fire-fighting for regular firemen, to be conducted next summer at Ann Arbor under sponsorship of the University of Michigan extension division.

### Goodman Made Vice-president

CLEVELAND—George I. Goodman has been made vice-president and a director of the Cleveland Insurance Agency. He has been with the agency for 22 years and has been active in both sales and agency work. He has served as secretary-treasurer of the Casualty Underwriters Association of Cleveland for nine years. The Cleveland Insurance Agency is celebrating its 50th birthday.

### Dorenkott Secretary of Agency

P. J. Dorenkott, who has been with the Richey-Barrett Co. of Cleveland for a year and a half, has been made secretary of that agency.

### Distribute Toledo School Line

The Toledo, O., board of education has awarded \$465,000 in fire insurance to the Toledo Association of Insurance Agents for distribution among its members. Premiums will be about \$3,950.

### Plan Auxiliary Fire Brigades

MILWAUKEE — Organization of auxiliary fire brigades in Milwaukee, similar to those now in training in eastern cities and patterned after London brigades is being considered by Fire Chief Steinkellner. The department has already suggested brigades in local industrial plants for emergency purposes for all major emergencies, including possible war.

### New Detroit President in Young, Aggressive Group

DETROIT—Edwin S. Karrer, newly elected president of the Detroit Association of Insurance Agents, is one of the young and aggressive agents who are now coming to be a force in organizational work.

He got his first job as office boy in 1916 in the home office of the Standard Accident at \$40 per month. Later he became an underwriter in the automobile department and left in 1921 to become head of the automobile department of the U. S. F. & G. branch, Detroit.

Five years later he resigned to open his own agency, contracting with the U. S. F. & G. as his first company. In 1931 the Karrer agency was incorporated with Edwin S. Karrer as president and his brother, Eugene A., as vice-president. Due, perhaps, to his early training, E. S. Karrer always has concentrated largely on casualty and surety lines.

### Hold Kansas School June 17-19

The Kansas insurance school has been set tentatively for June 17-19 at the University of Kansas, whose extension department will cooperate with the educational committee of the Kansas Association of Insurance Agents headed by H. W. Weltmer, Jr., of Hiawatha in sponsoring the three-day session. The school will be broadened considerably from the first session last year in length, scope and instructing talent.

### Western Adjustment Shifts

D. R. Diffenderfer, formerly of the Topeka office, has been named manager of the Western Adjustment in Salina, Kan., succeeding A. A. Steinmetz, who has opened his own adjustment office there. R. E. Van Gundy, formerly of Cedar Rapids, Ia., has been moved to Topeka to fill the vacancy there.

### Milwaukee Patrol Elects

MILWAUKEE — At the annual meeting of the Milwaukee Fire Underwriters Patrol, L. C. Hilgemann, president, and other officers were reelected. J. G. Grundle is secretary-treasurer; Harold Smith, chairman. The patrol board was organized two years ago to take over the operation of the fire insurance patrol, previously operated as a unit of the Milwaukee Board since 1889. About a year ago it was decided to discontinue the patrol service. No action was taken at the annual meeting tending toward reestablishing the patrol, although city officials have been seeking to force such a step.

### New Minneapolis School Move

MINNEAPOLIS—In the latest move in the Minneapolis school insurance situation, the board of education has dropped its plan to split the business involving \$3,958,000 among the Hardware Mutual of Minneapolis, Mill Mutuals and General of Seattle, and will call for bids on it. Originally the insurance, which expired Jan. 1, was divided 75 percent to stock and 25 percent to mutual companies.

### Ohio Mutual Meetings Feb. 17-19

The Ohio Mutual Tornado, Cyclone & Windstorm Insurance Association and the Federation of Mutual Insurance Associations of Ohio will meet in Columbus Feb. 17-19.

### Membership Drive in Detroit

DETROIT—The Detroit Association of Insurance Agents has launched an intensive membership drive designed to

bring in many of the eligible agents in the city who are not now affiliated. President Edwin S. Karrer has appointed Executive Secretary Elmer Salzman chairman of the committee, assisted by George Couillard, C. E. Freese, Jr., J. C. Gindorf, G. W. Hicks, F. L. Gossinger, George Zimmerman, J. A. Grow, Jr., G. E. Moore and C. H. Wood.

#### Start Minn. Membership Drive

MINNEAPOLIS — Fifteen district chairmen of the Minnesota Association of Insurance Agents set out this week to call personally on more than 100 membership prospects in their respective regions. Bradford Strom of Jackson, chairman of the state membership committee, is hopeful of turning in 100 new members at the mid-year meeting March 5-6.

Commissioner Johnson will attend the mid-year meeting and probably will speak briefly at the dinner the first day.

#### Wittbecker Fergus Falls Speaker

C. J. Wittbecker, state agent St. Paul Fire & Marine, discussed "Sideline Coverages" at a meeting of the North Central Minnesota Regional Agents Association at Fergus Falls.

#### Drops "Mutual" from Name

DES MOINES—The Square Deal Mutual has changed its name to the Square Deal and will operate as a chapter 404 company instead of a mutual assessment association, Fred Morgan, president, announces. The company sells only hail insurance. Commissioner Fischer has approved the change. There will be no alteration in the company's setup.

#### Topeka Agents Elect

Stanley Copeland has been reelected president of the Topeka Association of Insurance Agents. George Stabler has been elected secretary, replacing Webb Woodward, who was advanced to vice-president.

#### Hauenstein Holds Reception

R. F. Hauenstein of Elkhart, Ind., general agent of National F. & M. for Indiana, Michigan and Ohio, held a reception Saturday for his agents in his remodeled and refurbished office. A delegation of head office executives attended, including C. D. Bogert, vice-president; F. E. Moberg, assistant secretary; G. H. Sterritt, automobile manager; A. N. Gates, inland marine manager, and G. D. Schauer, agency underwriter.

#### Hildebrand in Owosso

LANSING, MICH.—W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, addressed the Owosso association Monday night, submitting suggestions for the year's program, including the association's educational activities, application of the wage-hour law to agency procedure, and the new state intangibles tax, which affects most agencies.

#### Change Michigan Zone Meetings

LANSING, MICH.—Several changes in the zone meetings conducted by the Michigan Association of Insurance Agents, in cooperation with field men's organizations, are announced. A meeting originally planned for Mt. Pleasant Feb. 11 has been postponed to Feb. 26. The one at West Branch has been cancelled and will be combined with the Bay City meeting, to be held Feb. 27 instead of Feb. 13. The Saginaw meeting also has been deferred from Feb. 14 to Feb. 28. The Pontiac meeting will be held Feb. 18 as scheduled.

#### Agents Hear Kridler. Others

CINCINNATI—P. W. Kridler, Fremont, O., president of the Ohio Association of Insurance Agents; V. G. Martin, its executive secretary and F. P. O'Connor, assistant superintendent

of the Ohio department, will be headliners at a meeting of the Cincinnati Fire Underwriters Association Feb. 13. T. T. Bryant, newly elected president of the Cincinnati association, will preside.

#### Kountz on Legislative Committee

Walter J. Kountz of Toledo, has been named a member of the legislative committee of the Ohio Association of Insurance Agents.

#### NEWS BRIEFS

C. M. Allen, partner in the L. W. Bauerle agency has been named first vice-president of the Wichita chamber of commerce.

The "bosses day" luncheon of the Wichita Insurance Women brought out 107 members and guests. President Helen Compton, Kessler - Henry Agency, presided and Berneeda Faulk, Dulancy, Johnston & Priest, treasurer National Association of Insurance Women, handled the program.

The Detroit Insurance Women's League is holding its annual party Tuesday evening, Feb. 18. An excellent entertainment program has been arranged.

Robert Phillips, U. S. F. & G., president Surety Underwriters Association of Milwaukee, discussed "Contract Bonds" at the February dinner meeting of the Insurance Women of Milwaukee at the City Club. The talk was one of a series of educational features covering all phases of fire, casualty and life insurance.

R. E. Vernor addressed the annual banquet of the Cadillac (Mich.) Chamber of Commerce. He will speak before the East Chicago Safety Forum, Feb. 19, and will address the Moline (Ill.) Chamber of Commerce, Feb. 27.

The Topeka Association of Insurance Women had Prof. H. J. Colburn of the English department of Washburn College as speaker on correct pronunciation of words at the January meeting. A bowling party was held Jan. 27.

The Ohio department announces that the deadline for requisitions for renewal of life licenses in Ohio is Feb. 20. This does not apply to fire licenses.

The St. Paul Fire & Marine Employees Club will hold a dinner dance in St. Paul Feb. 17.

Paul Brown, new Ohio State University football coach, spoke to a joint meeting of the Columbus Claims Club and the Mutual Insurance Club of Columbus.

At a luncheon meeting of the Mutual Insurance Association of Cleveland, L. G. Reiber, Jr., spoke on the comprehensive liability policy.

"Highlights" is the new monthly publication of the St. Paul Association of Insurance Women. Miss Helen Hunt is editor. On Feb. 20 the St. Paul association will be host at a joint dinner meeting with the Minneapolis insurance women.

Current diplomatic developments in Europe were discussed at the Feb. 10 luncheon meeting of the Insurance Club of Minneapolis by Stanley Hawks, who spent 14 years in the U. S. diplomatic service in Europe. The program was in the charge of the U. S. F. & G.

Clarence Warren has purchased the M. A. Schlick agency, Iola, Kan.

C. W. Smiley, Norton, Kan., banker, is now a partner in the Campbell & Bower agency there which has changed its name to Home Insurance Agency.

## CANADIAN

#### New Board Insurance Emblem

TORONTO — Company associations across Canada have adopted a symbol identifying "board" insurance, it is announced by Associated Underwriters, which includes the Dominion Board, Canadian Underwriters Association, Western Canada Insurance Underwrit-

ers Association, and the associations in British Columbia, New Brunswick, Nova Scotia and Prince Edward Island.

The symbol is designed as to associate board insurance with sound underwriting. Two artistic columns have at the top and bottom strong base and capital, with these words: "The symbol of sound protection." Forming a background is the Canadian maple leaf on which is inscribed "Board Insurance."

#### Manitoba Blue Goose Dance

The annual dinner and dance of the Manitoba Blue Goose was held in Winnipeg, with an especially large attendance. H. E. Drope, Regina general agent, was a guest.

#### Cornwall, Ont., Agents Elect

M. D. Cline has been elected president of the Cornwall (Ont.) Fire & Casualty Insurance Agents Association. G. Rice is vice-president and secretary-treasurer is G. Lauber. The executive committee consists of G. Cotterel and J. Tallon.

#### Priestman Plans 25-Mile Trek

TORONTO—Charles Priestman, secretary-treasurer of the Ontario Fire & Casualty Insurance Agents Association,

who will be 75 years old next October, is making plans for his annual 25-mile walk from Toronto to Oakville March 17. He will have several companions, including two or more insurance newspaper men.

### Ill. Short Course Features Insurance, University Men

In line with the intent of securing experienced teachers for the faculty of the Illinois short course school to be held March 13-15 at the University of Illinois, the committee in charge has secured the services of the following insurance men and university faculty members: James C. O'Connor, editor of the "Fire, Casualty & Surety Bulletin," and Donald Wood, Jr., Childs & Wood, Chicago, author of the casualty insurance course published by THE NATIONAL UNDERWRITER, on liability contracts; Prof. E. R. Dillavou, law department, on legal background of liability; Prof. George Goble, law department, on the standard fire policy; R. M. Parker, acting manager of the Chicago Board, on the dean schedule, and Prof. L. H. Provine, architectural department, on fire loss prevention by construction.

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A guide or directory of responsible and adequately equipped local agents. These offices have nation-wide facilities for handling your out-of-state business.

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Insurance Exchange Building  
CHICAGO

#### Eliel and Loeb Company

Insurance Exchange  
Chicago

#### FRED S. JAMES & CO.

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Insurance Exchange Building  
CHICAGO  
New York San Francisco

#### Marsh & McLennan

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164 W. Jackson Blvd. Chicago

#### Moore, Case, Lyman & Hubbard

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175 W. JACKSON BLVD.  
CHICAGO  
Wabash 0400

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175 W. Jackson Blvd.  
Chicago  
Telephone: Wab. 9600  
New York Seattle

### KENTUCKY

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General Insurance  
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Louisville, Ky.

### LOUISIANA

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Unexcelled Insurance Facilities  
NEW ORLEANS, LA.

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G. W. Carter, Pres.  
H. L. Newnan, Vice-Pres.  
Louis J. Lepper, Sec.-Treas.  
Fisher Bldg. Detroit, Mich.

### MISSOURI

#### Lawton-Byrne-Bruner

INSURANCE  
Saint Louis

### OHIO

#### Walter P. Dolle & Co.

"Insures Anything Insurable"  
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CINCINNATI  
Submit Your Propositions to Us

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210 E. Michigan St., MILWAUKEE  
Engineering Service—All Lines  
The largest insurance agency in the State of Wisconsin



## IN THE SOUTHERN STATES

### Louisiana Calls for Bids on State Cover

NEW ORLEANS—The Louisiana state finance department has called for bids to be opened at Baton Rouge Feb. 19 on \$18,550,130 fire insurance and \$10,311,450 tornado insurance covering various state properties. This plan of mass letting has been adopted by the state with the view of effecting a savings. In the past, insurance on each unit was let separately. Specifications call for insurance written on a five year basis, but subject to renewal annually at the state's option, 25 percent of the premiums being payable at the beginning of each of the first four years. Forms will contain 90 percent coinsurance clause for fire, and 50 percent for windstorm.

Finance Director Martin Close said present specifications call for fire and tornado insurance on only approximately half the state's property, principally hospitals and colleges, because the finance department has been unable to arrange specifications for all property in time for the initial letting.

Specifications are more rigid than any prepared before. Only companies licensed in Louisiana and rated AAA or higher will be accepted for direct writing or reinsurance, and no company will be allowed to accept a line in excess of 10 percent of its paid up capital and net surplus. Reinsurance in Louisiana licensed companies was not required previously.

Specifications state: "That the policy while embracing an option to renew annually for a total of five years shall be a yearly contract and a new agreement made at the beginning of each year with proposals being advertised and bids called for each year on a schedule of all insurable property owned by the state and awards made on a basis of the best insurance value obtainable for the state each year in accordance with law."

Bids must be accompanied with detailed rates on every individual item together with a suggested list of improvements with appropriate credits. Should rates be reduced later the state is to receive proper returns for the unearned term of the policy. Depreciation is being taken into account in determining the amount of insurance for the first time.

### Morrow to Fla. General Agency

C. E. Morrow has been appointed special agent for Clyde T. Higginbotham & Co., Jacksonville, Fla., general agents. For many years he was assistant manager of the Florida Inspection & Rating Bureau and traveled six years for Mills & Whitner, general agents.

### West Resigns as Virginia Manager

RICHMOND—Oscar H. West has resigned as manager of the Virginia Association of Insurance Agents, effective March 1, to become managing director



OSCAR H. WEST

of the Retail Merchants Association of Virginia with headquarters in Richmond. This is a newly created position. It is understood that he will direct a state-wide campaign which the association, with the full support of other branches of industry, is planning to launch soon with a view of inspiring a greater appreciation of the system of private initiative and private business enterprise. He became manager of the Virginia association a little more than three years ago. He was operating a local agency in Waverly, Va., when he was picked as first manager of the association. He has traveled widely throughout the state selling the capital stock insurance idea, assisting in building up local boards and adding to the membership of the association.

A committee consisting of President Burroughs, E. T. DeJarnette, Roger Clarke and Ralph Howe has been named to select a successor to Mr. West.

### Cravens, Dargan Shifts in Department Heads, Field

HOUSTON—Cravens, Dargan & Co. have announced several promotions and transfers. William Cravens, formerly manager of the fire underwriting department, has been made manager of the

marine department to succeed W. F. Kelly, who resigned to enter the local agency business with Bevan & Stevenson in Houston.

Mr. Cravens is succeeded in the fire underwriting department by Elmo Corbell, for the last year manager of the Gulf Coast Investment Corporation, the firm's FHA loan agency. Before that he was special agent of Cravens, Dargan in Lubbock, Tex. Cravens, Dargan appointed E. E. Kersey manager of the hail department. He was formerly with the K. T. Martin-Floyd West hail department for 16 years.

R. J. Henderson, formerly northeast Texas special agent, is transferred to Corpus Christi to supervise southwest Texas, formerly under Nelson Wray, who resigned to return to the local agency business. R. K. Entriken, formerly in the casualty department, goes to Beaumont as special agent in charge

of southeast Texas and southern Louisiana.

### Winston-Salem Agents Elect

WINSTON-SALEM, N. C.—R. M. Watson was elected president of the Winston-Salem Insurance Exchange at its annual dinner meeting, succeeding T. B. Follin.

W. W. Conrad is vice-president and John E. Davis reelected secretary-treasurer. Mr. Follin automatically became a member of the board. Thomas Barber, J. C. Nicholson and F. J. Wright are new directors.

### Papers Ask Stock Company Aid

NASHVILLE, TENN.—Through the Tennessee Press Association, owners of weekly and semi-weekly newspapers of the state, numbering more than 100, have asked the assistance of stock com-

## Financial Statement

As of December 31, 1940

### ASSETS

Cash	\$1,278,248.19
U. S. Government Bonds and Guaranteed Obligations	2,017,305.30
All Other Bonds	1,288,703.87
Preferred Stocks	1,001,230.00
Common Stocks	2,316,385.00
Home Office, Land and Buildings (Less Depreciation)	277,500.00
Premiums	967,403.06
Accrued Interest on Bonds	21,526.08
<b>TOTAL ASSETS</b>	<b>\$9,168,301.50</b>

### LIABILITIES

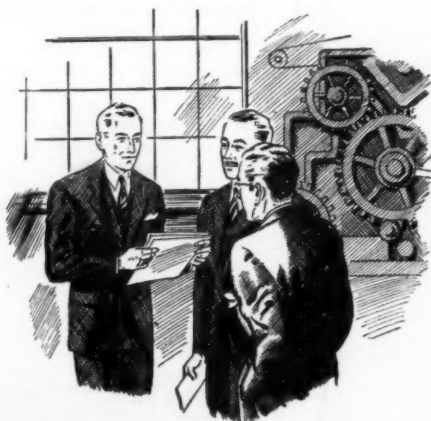
Reserve for Unearned Premiums	\$4,404,931.17
Reserve for Claims in Course of Adjustment	390,232.61
Reserve for Federal, State and All Other Taxes	183,185.98
Reserve for All Other Contingencies	470,676.74
Capital Stock Paid in Full	\$1,250,000.00
Net Surplus Over All Liabilities	2,469,275.00
<b>SURPLUS TO POLICYHOLDERS</b>	<b>3,719,275.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$9,168,301.50</b>

Stocks and bonds in this statement have been valued in accordance with rules promulgated and prescribed by the National Association of Insurance Commissioners. If actual December 31, 1940, market quotations on stocks and bonds were used, the ASSETS of the Company would be increased to \$9,366,425.60 and SURPLUS TO POLICYHOLDERS would be increased to \$3,917,399.10.

## PACIFIC NATIONAL FIRE INSURANCE COMPANY

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pany local agents and field men in securing lower fire and liability rates. The Tennessee Association of Insurance Agents and the Tennessee Field Club have agreed to inspect the properties of the papers and make recommendations, wherever necessary, for elimination of both fire and liability hazards. Last year the mutual interests endeavored to work out something for the group.

#### Tenn. Executive Committee to Meet

NASHVILLE, TENN.—The executive committee of the Tennessee Association of Insurance Agents will meet here March 5 to complete and approve plans for the association's school at the University of Tennessee, Knoxville, the first week in June and for the annual meeting. W. S. Keese, Jr., Chattanooga, past president, is selecting the teaching staff for the school with the assistance of Dean L. P. McCord of Jacksonville, Fla. Secretary R. T. Cawthon is ar-

ranging the program for the annual meeting.

#### NEWS BRIEFS

C. C. Lauderback, local agent of Stanley, Va., is being boosted for speaker of the Virginia house in 1942 to succeed Ashton Dovell of Williamsburg, who is now running for governor.

J. D. Bohannon, Petersburg, Va., attorney, who is counsel for the Virginia Rating Bureau, has been elected rector of the College of William and Mary at Williamsburg.

Lewis T. Powers has been appointed adjuster in charge for Fire Companies Adjustment Bureau at Elizabeth City, N. C. He replaces Robin S. Benton, resigned.

J. C. Oakes, Jr., has purchased the agency of the late L. N. Taylor, Sweetwater, Tenn., with which he has been associated for two years.

before the banquet with the visiting company officials as guests of honor. This feature is in charge of Charles F. Flaherty of the Tener-Lowry Company.

#### Form New Adjustment Firm

HUNTINGTON, W. VA. — The Huntington Insurance Adjustment Co. has been organized by James E. Deveny and David H. Puthoff to adjust fire, inland marine and casualty claims. Mr. Deveny was formerly manager of Wycoff Company at Huntington and has had 12 years experience in the adjustment field. Mr. Puthoff was also connected with Wycoff. They have offices in the First Huntington National Bank building.

#### Bannan Heads American Employees

NEWARK—At a meeting of the Employees Association of the American John Bannan was elected president; Clifford Updike, vice-president; Clifford Terhune, treasurer; Harry Horbelt, assistant treasurer; Dorothy Tufys, recording secretary; Doris Herrmann, corresponding secretary.

#### Hudson County Meet in Kearny

The Hudson County Insurance Agents Association will hold a dinner meeting at Kearny, N. J., Feb. 18. It will be a joint meeting with the Insurance Agents Association of West Hudson and Arlington. George J. Borgos of West Hudson is chairman of the committee on arrangements.

#### Essex Agents Hear E. W. Sawyer

NEWARK—At the dinner meeting of the Essex County Insurance Agents Association, Feb. 10 E. W. Sawyer, attorney for the National Bureau of Casualty & Surety Underwriters, discussed the new comprehensive liability policies.

#### Study Policies and Forms

NEWARK—H. M. Farrow, president New Jersey Association of Underwriters, has appointed a new "policies and forms committee" to study and report on new and suggested changes in policies and forms, in line with a recommendation of the executive committee of the association, due to the trend to

## EASTERN STATES ACTIVITIES

### Ready for Big Day in Pittsburgh

PITTSBURGH—The last detail has now been completed insofar as arrangements are concerned for the big insurance event of the year here next Monday



COL. H. P. DUNHAM

—Pittsburgh Insurance Day. The Pittsburgh insurance fraternity will turn out as always in full strength for the various meetings during the morning and afternoon, for the luncheon and then for the capital feature of the day, the big banquet with the head table overflowing with presidents, U. S. managers, vice-presidents, secretaries, assistant secretaries, department heads of insurance companies and organizations from various underwriting centers.

The banquet speaker is to be George G. Beamish of London, world secretary of London Assurance. Toastmaster will be Col. Howard P. Dunham, vice-president of American Surety and New York Casualty. That is assurance that the evening's proceedings will be conducted in sprightly fashion. J. J. O'Donnell of the Lon C. Jeffrey Company is chairman of the banquet committee.

During the morning, five educational forums will be conducted concurrently—accident and health, casualty, casualty claims, fire and marine and surety.

H. V. Kaltenborn, the famed radio commentator, will address the luncheon meeting which is sponsored by the Pittsburgh Association of Insurance Agents.

In afternoon there will be a "Kolosol Kwery Klinik" in charge J. W. Hubbard of Keystone Adjustment. Five competing teams will participate. There will be a captain and two judges for each

team and the other members will be chosen by lot from the audience. Any question that is missed by the team which offers to answer it will be open to audience participation. Prizes will be awarded to members of the audience and to the winning team.

C. P. Cunningham, Zurich, will lead the casualty group team and judges will be J. R. Wilson, Travelers, and E. D. Sweet, Massachusetts Bonding. The casualty claims team will be headed by C. J. Ivory, Massachusetts Bonding, with G. J. O'Rourke, Hartford Accident, and W. G. Richards, Fidelity & Casualty, as judges. The surety men will be captained by A. A. Rohrich, American Surety, and W. J. Zwinggi, Logue Brothers and J. E. Harlan, Fidelity & Deposit, are judges.

A. C. Feagan, Inter-Ocean Casualty, will be the accident and health captain with W. J. McClelland, Massachusetts Bonding, and Lon C. Jeffrey, judges. The fire and marine team will be directed by Paul J. Mullen, Phoenix-London, and judges will be F. Lincoln Walter, Marine Office of America, and Edward Hodgdon, Camden.

The usual cocktail party will be held

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PROVIDENCE, R. I.

FIRE ASSOCIATION  
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PHILADELPHIA  
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Insurance of Business Earnings  
is Vital.



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broaden and simplify the various coverages in the insurance field.

Leonard Fuchs, Irvington, is chairman of the committee, assisted by H. A. Faunce, Atlantic City, and W. T. Ashby, Newark.

## COAST

### C. D. Lasher Heads Factory Association

SAN FRANCISCO—C. D. Lasher, coast manager of the Home, was elected president of the Pacific Factory Insurance Association at its annual meeting.



C. D. LASHER

New vice-presidents are Ray Decker, Royal-Liverpool, and Charles A. Craft, Phoenix of Hartford. George V. Lawry, Travelers Fire, was elected secretary; W. W. Gilmore, London & Lancashire, treasurer. On the executive committee are H. Clyde Edmundson, America Fore, chairman; E. C. Fox, Cravens, Dargan & Fox; C. C. Hannah, Fireman's Fund; Ward S. Jackson, Crum & Forster; T. J. Craig, North America; Joy Lichtenstein, Hartford, and H. F. Mills, Aetna Fire.

The report of Frank H. French, manager, indicated that the consistent progress of the organization since its inception has been maintained.

### Military Service, License Changes in California

The new amendments to the California insurance code make special provisions for those called to military service (Sections 3 and 18) and clarify license and qualification provisions. A resume of the sections follows:

1. Repeals the requirement that interest must be charged on premiums not paid within 60 days after they are due. Anti rebate provisions not affected by bill are ample to take care of cases where credit is offered as an unlawful inducement.

2. Interprets laws governing splitting of commissions so that inadvertently committed misdemeanors may be avoided.

3. Permits the sale of an agents' or broker's business for commissions to be earned by the purchaser, thus making available to those entering military service another method of disposing of their business.

\* \* \*

4. States that the purpose of the qualification laws is to protect the public by requiring and maintaining professional standards of conduct.

5. Clarifies the law on sale of life insurance by insurance brokers.

6. Eliminates the possibility of forming associations and cooperative corpo-

rations for the purpose of securing unlawful rebates.

7. Removes an obsolete provision relating to examinations.

8. Codifies present interpretation of the laws relating to limited brokers licenses for salaried employees of insurers on out of state risks.

9. Codifies present interpretation of laws relating to licensing insurance companies as agents or brokers.

\* \* \*

10. Requires applications for license to show address at which books are kept.

11 and 12. Correct an obvious mistake in the law regarding renewal licenses of new applicants.

13 and 14. Provide for the issuance of a restricted license to persons who have violated the laws and whom the commissioner feels should have another chance under conditions he deems desirable.

15, 16 and 17. Relate to employees of licensed agents and brokers.

\* \* \*

18. Provides that license of person who enters military service during present emergency need not be renewed and that his licenses shall not be forfeited during the period of military service plus a period of at least six months thereafter. Authorizes commissioner to issue a certificate to a person selected by such a licensee for the purpose of conserving his business during his military service. With the exception of the qualification examination such persons are subject to all insurance laws.

Other provisions clarify the status of employees of licensed agents or brokers.

### Santa Barbara Agents Elect

SANTA BARBARA, CAL.—The Santa Barbara Association of Insurance Agents at its annual meeting elected A. F. MacFarland president to succeed Joseph W. Kern; John Roberts, vice-president, and Lawrence Day, secretary-

treasurer. New directors are J. W. Kern, V. H. Vawter, Helen V. Meng and E. E. Hauser.

Speakers on organization program included H. W. Semmelmeier, public relations director Pacific Board; H. I. Callis, California national councillor; H. P. North, Business Development Office, who presented J. W. Breckon, his successor in charge of the Pacific Coast branch; Mr. Kern, W. B. Glassick, president Insurance Exchange of Los Angeles; W. T. Rambo, San Jose, and Brooke Sawyer, Redlands.

### Grays Harbor Group Elects

ABERDEEN, WASH.—The Grays Harbor County Insurance Agents Association has elected H. D. Lasell of Aberdeen, president, succeeding John E. Fox of Montesano.

### Healy Pierce County President

TACOMA, WASH.—The Pierce County Insurance Agents Association has elected William Healy, president; W. E. Hopping, vice-president; John D. Wells, secretary-treasurer. Trustees are A. H. Bassett, Omar Bratrud, Warren Lagerquist and R. T. Mallery.

### Regional Rally in Astoria, Ore.

ASTORIA, ORE.—A dinner meeting was held here for western Oregon agents to acquaint them with the accomplishments of the Oregon Insurance Agents Association and to solicit membership.

Ed Feary, president of the Astoria association, presided. Speakers included George W. Haerle, National Association of Insurance Agents executive committee man; Fred C. Reed, Fred E. Jewett of Portland, prominent in Oregon association work, and Leslie Wadsworth, Salem, chairman of the legislative committee of the Oregon association.

Field men were represented by L. N. Brainerd, Aetna Fire; L. R. Centro, St. Paul F. & M.; John Benedict, Hartford;



# NATIONAL UNION

FIRE INSURANCE  
COMPANY  
PITTSBURGH  
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For Over Fifty Years Good Friends of Local Agents

L. R. Goodell, America Fore, and John E. Meeke, Firemans Fund, president of the Special Agents Association in Oregon.

#### Mitchell Joins F. C. A. B.

DENVER—C. B. Mitchell has joined the Fire Companies Adjustment Bureau here. From 1930 to 1938 he adjusted inland marine losses in Chicago, with G. B. Van Buren & Co., Automobile of Hartford and Thomas T. North Adjustment Co. He left Chicago in 1938 on account of his health and came to Denver. He has now completely recovered and is adjusting inland marine losses for the bureau.

#### Kavanaugh Reviews Legislation

DENVER—At a luncheon meeting of the Denver Association of Insurance Agents, Commissioner Kavanaugh gave a resume of proposed insurance now in the legislature. There was some discussion regarding the attempt by non-admitted companies to write insurance in the state.

#### Garnett Becomes Local Agent

P. F. Garnett, who retired as manager of the public relations department of the Pacific Board about two years ago, has established a local agency in Redwood City, Cal.

#### McAdoo and Rowan & Co. Agency

The late William G. McAdoo, who had been practicing law in Los Angeles following his retirement from public life, and who died the other day, owned the controlling interest in Rowan & Co. of Los Angeles. That is an important local agency as well as being an investment house. The head of the insurance department of Rowan & Co. is Eugene Battles, former member of the executive committee of the National Association of Insurance Agents. His son, Robert Battles, is also associated with Rowan & Co.

#### New Philadelphia F. & M. Setup

SAN FRANCISCO—As of March 1 the Pacific Coast department of the Philadelphia Fire & Marine will be housed with the North America here. It has been under joint management with the Fire Association since it started operations in California in 1923.

R. Stockton Rush, agency secretary of North America, is spending considerable time in working out details of the change. Agents are asked to make their own selection between resigning the Philadelphia F. & M. to take on some other Fire Association representation, or continuing the company under the North America's management.

Former joint conduct of Pacific Coast affairs of Philadelphia Fire & Marine was an outgrowth of the old Philadelphia Underwriters organization in which Fire Association and Insurance Company of North America were jointly interested. Philadelphia Fire & Marine was incorporated in May 1923.

#### Yakima Exchange Changes Name

YAKIMA, WASH.—The Yakima Association of Insurance Agents has succeeded the former Yakima Fire Insurance Exchange. Hugh Wilcox has been named president; W. B. Auda, vice-president, and C. E. Fraser, reelected executive secretary-treasurer. On the executive committee are W. F. Bridgeford, W. W. Miller, Porter Lombard and F. W. Norgard.

#### Honor Quaid in Los Angeles

LOS ANGELES—William Quaid, vice-president Home of New York group, was the honor guest at a dinner this evening given by officers and employees of the Los Angeles branch office, with Manager Sim E. Wherry presiding.

#### Quiz Session in Pasadena

PASADENA, CAL.—At the second session of the Pasadena Association of Insurance Agents insurance school, with

100 agents and office employees in attendance, fire insurance was discussed in an "Information Please" quiz. V. W. McKinney, special agent America Fore, was in charge, questions being answered by K. F. Glasbrenner, Glens Falls, on "History of Fire Insurance and the Fire Insurance Contract"; M. W. Paxton, Edward Brown & Sons, "Fire Insurance Policy Stipulations"; A. M. Pfalzer, special agent London & Lancashire, "Types of Fire Coverage," and Harold Smethurst, special agent Travelers Fire, "Endorsements and Additional Coverages."

"Inland Marine Lines" will be discussed at the next session.

#### NEWS BRIEFS

At the annual meeting of the Insurance Women's Association of Seattle, Burya Carson, A. S. Morgenstern Company, was reelected president; Joan Worden, Seeley & Co., vice-president; Mavis Cowley, Fireman's Fund, secretary, and Virginia Burke, Fireman's Fund, treasurer.

Miss Bernice Padelford has become president of the Insurance Women's Club of Spokane, Wash. Genevieve Meenach is vice-president; Evelyn Donnell, secretary, and Alta Smith, treasurer.

Phil J. Carter, resident adjuster of the Fire Companies Adjustment Bureau at Colorado Springs, who has been suffering a stomach ailment and in the hospital since Dec. 15, is at home again and expects to be back at work the last of this month.

## MOTOR

#### C. I. T. Statement Reflects Sharp Auto Sale Gains

The statement of Commercial Investment Trust, which finances a large percentage of new automobile sales, reflects the upturn in that industry last year. Net volume of retail automobile notes financed was \$360,627,133 compared with \$263,044,121. Wholesale automobile accounts totaled \$514,950,261, compared with \$333,105,940. Total notes financed were \$1,285,016,744, against \$966,383,708 in 1939. Assets were \$582,887,036, compared with \$424,163,944. Retail automobile notes are carried in the statement at \$260,275,573, compared with \$187,763,627. Capitalization consists of \$9,544,100 preferred stock and \$53,089,140 common stock. Operating profit was \$20,566,755, against \$18,379,442. Earnings per share were \$165.61 on preferred and \$4.35 on common stock. Commercial Investment Trust owns outright National Surety Corporation, which is carried at actual cost, \$11,531,000. It also has National Surety Marine and Service Fire.

#### Automobile Theft Bureau Holds Annual Meeting

NEW YORK—A color and sound picture movie prepared by the motor vehicle division of the Texas state highway department was shown at the annual meeting of the National Automobile Theft Bureau here Tuesday evening. The picture is a warning to arsonists, illustrating the difficulty of an automobile being destroyed by fire through accidental causes.

In addition to the membership, those at the meeting and dinner included re-

gional officers of the association, representatives of the Eastern Loss Executives Conference, bureau managers, and members of various local automobile underwriting organizations. Fred J. Sauter of Chicago is president of the association, and J. Ross Moore, secretary.

## MARINE

#### East and Far East Rates Cut Despite Fears of Insurers

NEW YORK—Marine underwriters have further reduced war risk rates on cargoes to and from Australasia and other countries in the East and Far East. Insurers still have grave doubts about the war hazard in that part of the world but the experience so far has been good. Outside of belligerent flag vessels the hazard is almost entirely a potential one. Some underwriters are strongly of the opinion that it will remain so unless Great Britain shows signs of weakening and that threatening moves on the part of Japan will remain merely threats until that time. Otherwise, it is pointed out, Japan would be taking a very great risk, which would benefit Germany far more than Japan.

On shipments to and from Australasia via Cape the rate on shipments by U. S. flag vessels has been reduced from 1 1/4 percent to 1 1/2 percent, and on shipments by other flag vessels from 4 1/2 percent to 4 percent. On exports to Australasia via Panama by U. S. flag vessels the rate has been reduced from 3/4 percent to 1/2 percent, and on other neutral flag vessels from 1 1/2 percent to 1 percent. The rate on imports via Panama remains unchanged, 1/2 percent by U. S. flag vessels and 1 percent by other neutral vessels the same as on exports, and the rate on shipments by belligerent flag vessels remains unchanged at 1 1/2 percent for both exports and imports.

On shipments between Australasia and the Pacific Coast of North, Central and South America via transpacific the rate on exports by U. S. flag vessels has been reduced from 3/4 percent to 1/2 percent and on shipments by other flag vessels from 1 1/4 percent to 1 percent. The rate on imports remains unchanged at 1/2 percent for U. S. flag vessels and 1 percent by other flag vessels the same as on exports.

#### Rates to Manila Given

On shipments to and from Manila, Japan, China, India, Dutch East Indies and other Eastern and Far Eastern countries the rate on both exports and imports via Cape on shipments by U. S. flag vessels has been reduced from 1 1/4 percent to 1 1/2 percent. The rate on shipments by other flag vessels remains unchanged at 4 percent. The rate on

imports via Panama has been reduced from 5.8 percent to 1/2 percent. Exports by U. S. flag vessels via Panama have been reduced from 3/4 percent to 1/2 percent and by other flag vessels imports have been reduced from 1 1/2 percent to 1 1/2 percent. The rate on exports via Panama by other flag vessels has been reduced from 1 1/4 percent to 1 1/2 percent. The rate on shipments between the East and Far East and Pacific Ports of North, Central and South America via Transpacific on imports by U. S. flag vessels has been reduced from 5/8 percent to 1/2 percent and on exports from 3/4 percent to 1/2 percent. On shipments by other flag vessels, both imports and exports, the rate has been reduced from 1 1/2 percent to 1 3/8 percent.

The above rates exclude shipments by German, Danish, Italian, French, U. S. S. R., Estonian, Latvian, Lithuanian and Yugoslavian flag vessels and exclude shipments to or from French Indo-China and shipments to Burma. Rates on shipments which are excluded from the published rate schedule are quoted only on application.

#### Striking Mailing Piece

The Lawton-Byrne-Bruner agency of St. Louis has gotten out a striking mailing piece in behalf of the personal property floater. In the center is an outline of the globe with a banner reading "Worldwide Coverage" and including a drawing of an automobile labeled "On Land," an airplane, "In the Air," and a ship "On Water."

In boxes on either side are printed the most prominent hazards that are covered. The piece was prepared by Briggs A. Hoffman.

#### Ellis Transferred to Dallas

DALLAS—The Marine Office of America has transferred E. H. Ellis from New Orleans to Dallas as special agent.

Security of Connecticut has sent out additional promotional material to be inserted in its new sales manual for agents covering a sales interview for musical instrument coverage. The pages of the manual are punched so that they can be inserted in their proper place as additional supplements are sent out.

#### Brooks, Rodgers Coast-Bound

Olin L. Brooks in his capacity as newly elected president of the State of Penn., in company with Samuel P. Rodgers, vice-president, started off this week on an agency trip through the west as far as the Pacific Coast. They will be in Chicago the last part of this week. Mr. Brooks is also president of Globe & Rutgers and American Home Fire.

R. deGrandpre, Canadian manager of the New Hampshire and the Granite State, is rounding out 20 years of service with the New Hampshire.

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INLAND MARINE INSURANCE,  
Including Yachts**

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**Western Department**  
**Insurance Exchange Bldg.**  
**Chicago, Illinois**





## National Union Celebrates Its 40th Anniversary

(CONTINUED FROM PAGE 5)

Orr, cashier Mellon National Bank; H. A. Phillips, real estate; A. C. Robinson, banker; William M. Robinson, Reed, Smith, Shaw & McClay, attorneys; Clarence Stanley, president Union Trust Company of Pittsburgh; John M. Thomas, president, and Henry A. Yates, vice-president.

### Thomas Becomes President in 1931

Since 1931, the active management has been in the hands of John M. Thomas as president, assisted by Henry A. Yates, vice-president. Upon assuming the part of chief officer, Mr. Thomas saw the need of radical adjustments in underwriting practices and principles resulting in a considerable decrease in income with the loss of some connections of long standing. That this movement was sound has been confirmed by gains in financial strength, prestige and agency connections. The premium income is increasing conservatively and the policyholders' surplus on Dec. 31, 1940 was \$7,306,308 with assets of \$17,936,891.

The other active officers of the company representing years of experience in various directions are F. J. Breen, secretary; R. F. Miller, assistant vice-president; William Fingerhuth, Kenneth F. May, J. Hunter White, assistant secretaries and W. A. Strouse, assistant treasurer.

National Union transacts business throughout the United States maintaining departments in New York, Chicago, Atlanta and San Francisco. It also operates in Canada through Dale & Co. as managers, and the foreign business is handled through the American International Underwriters Corporation.

### Five Agents Have Continuous Records

Five agents have represented the company continuously since the year of its organization. They are as follows: D. E. Dale, Butler, Pa.; H. H. Nichols, Girard, Pa.; William Fromm, Mt. Oliver, Pittsburgh; Al C. Lermann, Sandusky, O., and William T. Kelly of the Macomb Insurance Agency, Mt. Clemens, Mich. Parker, Aleshire & Co. of Chicago also have a record of continuous representation, although O. E. Aleshire, the original appointee, withdrew from active participation in the agency and is now president of Modern Woodmen.

Many prominent insurance men received their early training with National Union. T. Magill Patterson, now secretary of Pennsylvania Fire, was the first employee, and Guy E. Beardsley, vice-president of Aetna Fire, the first special agent.

### Additional Speakers Listed for Louisiana Convention

The Louisiana Blue Goose will entertain agents and their guests at a dance and other entertainment at the annual convention of the Louisiana Association of Insurance Agents, Monroe, March 26-28.

Additional speakers have been secured, including David C. Gibson, vice-president Maryland Casualty, who will discuss advertising; J. Dillard Hall of U. S. F. & G., who will speak on "The Forgotten Line," and D. H. Davies, superintendent of the inland marine department of Phoenix Assurance, New York, whose address will be "Speaking of Coverage—The Personal Property Floater."

Hotel facilities in Monroe are ample, but reservations are being steadily made.

W. F. Kimberly has been elected vice-president of D. P. Rumsey & Co. of Buffalo, in charge of insurance.

Use Accident & Health Week promotional material to increase sales. Write your company for details.

## COMPANIES

(CONTINUED FROM PAGE 20)

res., \$401,652; liab. res., \$381,242; comp. res., \$239,277; capital, \$750,000. Experience:

	Net Prems.	Losses Pd.
Accident & health...	\$3,633,783	\$1,843,445
Auto liability .....	400,268	170,210
Other liability .....	173,925	41,243
Workmen's comp....	280,089	130,399
Fidelity .....	22,549	10,284
Surety .....	41,377	3,895
Plate glass .....	27,546	9,702
Burglary and theft..	61,480	14,075
Auto prop. damage..	126,426	65,375
Auto collision .....	2,143	940
Other P. D. and coll.	6,471	1,299

Total .....\$4,776,057 2,290,867

**National Surety**—Assets, \$26,200,520; inc., \$799,279; unearned prem., \$5,700,021; loss res., \$3,562,392; capital, \$2,500,000; surplus, \$12,354,594; inc., \$797,644. Experience:

Fidelity .....	\$3,829,821	\$1,020,004
Surety .....	3,456,552	354,705
Plate glass .....	160,181	77,440
Burglary and theft..	1,745,555	413,055

Total .....\$9,192,109 \$1,865,204

**Selected Risks Indemnity**: Assets, \$1,614,775; inc., \$114,583; unearned prem., \$413,750; loss res., \$65,790; liab. res., \$269,545; comp. res., \$114,258; capital, \$300,000; surplus, \$372,017; inc., \$8,920, includes voluntary reserve of \$72,017. Experience:

Auto liability .....	\$ 443,112	\$ 151,436
Other liability .....	7,187	2,314
Workmen's comp....	259,543	120,382
Auto prop. damage..	169,326	76,791
Auto collision .....	5,719	191
Other P. D. and coll.	913	71

Total .....\$ 885,800 \$ 351,185

**Standard Lloyds, Tex.**: Assets, \$557,910; inc., \$151,005; unearned prem., \$207,274; loss res., \$9,139; surplus, \$316,756, includes \$80,000 guarantee fund; inc., \$33,237. Experience:

Accident & health..	\$ 55,560	\$ 1,473
Fidelity .....	1,275	79
Auto collision .....	153,632	29,356
Other auto .....	112,665	13,210

Total .....\$ 323,132 \$ 44,118

**State Auto Mut. O.**: Assets, \$7,895,466; inc., \$787,650; unearned prem., \$2,084,647; loss res., \$232,311; liab. res., \$1,669,088; surplus, \$1,558,098; inc., \$208,098. Experience:

Accident .....	\$ 136,321	\$ 25,647
Auto liability .....	2,100,628	755,190
Other liability .....	30,942	3,742
Cargo .....	8,281	267
Fidelity .....	2,416	.....
Cyclone .....	36,208	3,756
Plate glass .....	285	64
Auto theft .....	240,887	47,726
Auto fire .....	243,484	54,159
Comprehensive .....	80,607	64,044
Auto prop. damage..	795,350	447,451
Auto collision .....	800,042	390,799
Other .....	15,656	4,497

Total .....\$4,491,105 \$1,797,342

**Travelers**—Assets, \$1,098,664,026; inc., \$59,461,382; unearned prem., \$19,455,933; loss res., \$6,196,952; liab. res., \$13,532,637; comp. res., \$20,766,818; non-can. A. & H. res., \$331,405; capital, \$20,000,000; surplus, \$45,759,513; inc., \$4,640,427. Experience:

Accident .....	\$11,793,085	\$4,507,383
Health .....	8,058,966	5,391,745
Non-can. H. & A. ....	57,990	248,466
Auto liability .....	14,638,138	6,139,737
Other liability .....	7,593,888	2,263,285
Workmen's comp....	16,606,392	9,648,905

Total .....\$58,748,461 \$28,199,523

**Travelers Indemnity**—Assets, \$31,297,247; inc., \$978,491; unearned prem., \$8,779,062; loss res., \$1,125,693; liab. res., \$1,453,159; comp. res., \$794,484; capital, \$3,000,000; surplus \$6,977,137; dec., \$405,340. Experience:

Auto liability .....	\$1,575,684	\$ 632,585
Other liability .....	1,034,310	187,636
Workmen's comp....	1,575,642	714,636
Fidelity .....	68,653	1,842
Surety .....	272,408	.....
Plate glass .....	624,472	271,679
Burglary and theft..	2,052,973	435,721
Steam boiler .....	1,091,756	74,937
Machinery .....	291,165	29,092
Auto prop. damage..	4,596,048	2,102,532
Auto collision .....	593,902	245,529
Other P. D. and coll.	577,082	130,642

Total .....\$14,354,099 \$4,826,836

**U. S. Guarantee**—Assets, \$18,750,462; inc., \$1,324,551; unearned prem., \$3,616,600; loss res., \$727,437; liab. res. and comp. res., \$2,312,163; capital, \$2,000,000; surplus, \$6,704,506; inc., \$227,187. Experience:

Accident .....	\$ 17,072	\$ 2,572
Auto liability .....	1,674,051	623,973
Other liability .....	753,814	258,237
Workmen's comp....	47,044	52,322
Fidelity .....	992,753	206,964
Surety .....	1,740,903	31,039
Plate glass .....	29,716	11,378
Burglary and theft..	329,844	102,355
Auto prop. damage..	468,506	244,558
Auto collision .....	42,340	14,858
Other P. D. and coll.	57,254	8,186

Total .....\$6,153,297 \$1,556,442

600; loss res., \$727,437; liab. res. and comp. res., \$2,312,163; capital, \$2,000,000; surplus, \$6,704,506; inc., \$227,187. Experience:

Accident .....	\$ 17,072	\$ 2,572
Auto liability .....	1,674,051	623,973
Other liability .....	753,814	258,237
Workmen's comp....	47,044	52,322
Fidelity .....	992,753	206,964
Surety .....	1,740,903	31,039
Plate glass .....	29,716	11,378
Burglary and theft..	329,844	102,355
Auto prop. damage..	468,506	244,558
Auto collision .....	42,340	14,858
Other P. D. and coll.	57,254	8,186

Total .....\$6,153,297 \$1,556,442

**Woodmen Accident**—Assets, \$1,477,479; inc., \$53,412; unearned prem., \$215,924; loss res., \$145,514; surplus, \$1,070,789; inc., \$12,931. Experience:

Accident .....	\$1,149,503	\$ 594,797
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## Chicago Symposium on Comprehensive Liability

(CONTINUED FROM PAGE 19)

of Aetna Casualty, Chicago office.

Next to him is William McSweeney, assistant casualty manager of Travelers.

To my right is Edwin L. Kemble, a specialist in underwriting problems of the United States head office of Zurich.

Next to him is G. E. Hofmeister, vice-president of Continental Casualty.

And finally, we have Owen Rall of the law firm of Eckert & Peterson, Chicago. Mr. Rall is a specialist in insurance law and in negligence law. There is probably no aspect of the coverage of liability policies, or no element of the law of negligence, which Mr. Rall has not successfully maintained in court at some time or other and the panel is all set to work very hard on Mr. Rall when any difficult questions arise.

In discussing the comprehensive policies, I think we all understand the situation: that three policies have been issued, two of them jointly by the National Bureau of Casualty & Surety Underwriters and American Mutual Alliance. The comprehensive automobile liability policy, which covers all liability of the insured from any ownership, use or operation of automobiles of any type and by anybody, under a single insuring clause; and then the comprehensive general liability policy, which covers all liability except automobile, again under one insuring clause.

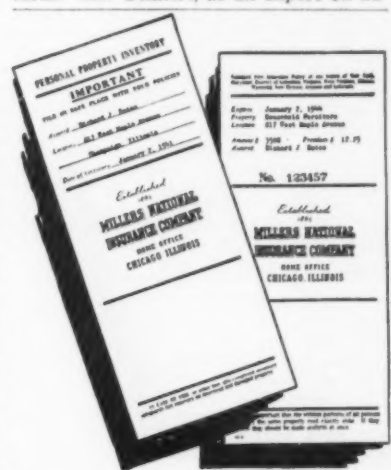
The National Bureau alone brought out a third form, the so-called combination comprehensive liability form, which combines these two contracts under one insuring clause. That contract, however, has not been authorized in Illinois. Consequently, we will ignore it in our remarks this afternoon.

### Questions From Audience

This is a tremendous subject and, therefore, we will try as much as possible to confine our remarks to the points peculiar to the two comprehensive policies and try to get away as

much as possible from remarks which apply to the field of liability insurance in general. The members will feel free to interrupt each other at any time. If there is time at the end of the session, we hope to entertain a few questions from the audience, so that in case there is any suspicion that these gentlemen have rehearsed their remarks too well, anyone will have an opportunity to catch them. Of course, the chairman or the discussion leader, such as myself, should be exempt from any such embarrassment and I will be very happy to pass these questions on to any of these gentlemen at my left or my right.

Starting off with the comprehensive automobile policy and, incidentally, we feel that in order to keep the discussion within reasonable bounds, we ought to go through the two policies in order and first consider the automobile policy form and then consider the general form. Mr. Ollmert, as an expert on au-



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HOME OFFICE, CHICAGO

## NATIONAL INSPECTION COMPANY

CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 38 years.  
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R. L. Thiele, Asst. Mgr.  
M. E. Bulse, Chief Inspector

## QUEEN CITY FIRE INSURANCE COMPANY

SIOUX FALLS

D. P. LEMEN, President

SOUTH DAKOTA

1905

Thirty-six years of service

1941

tomobile insurance, would you start off by describing the insuring clause of the comprehensive automobile form?

Mr. Ollmert: The fact that the policy covers bodily injury and property damage caused by accident and arising out of the ownership, maintenance or use of any automobile, makes it mandatory that all owned cars, hired, and independent contractors and employers non-ownership be included. Now, this, as I say, is mandatory. In order to get the comprehensive policy, all of that must be included.

Chairman O'Connor: Mr. Ollmert, is there any distinction between owned cars and cars not owned by the insured, hired automobiles? Any distinction between trucks and private passenger cars?

Mr. Ollmert: In the non-ownership, under the old type of schedule liability policy that was introduced about six months ago, non-ownership is defined as covering any private passenger automobile or any car used by an employee occasionally for commercial purposes, or any private type car used by an agent or representative. This type of policy, in defining the different types of hazards covered, specifies owned vehicles, independent and hired, contractors, and then it goes on to say "any other automobile." Consequently, under "any other automobile" there would be coverages that formerly were not included under non-ownership that would be included under this policy.

#### What Does Insured Get?

Chairman O'Connor: Could you be a little more specific? One of the big questions is, just what is the insured getting under this comprehensive form that he was not getting under the older form? Can you cite any examples?

Mr. Ollmert: I will cite a case along the lines that I just explained. There are laundries that have owned vehicles, trucks. At the same time, they have salesmen owning trucks who represent them on a commission basis. Now, those cars are not hired, nor are they independent contractors. Those fellows work on a commission basis. Consequently, they would be covered, where otherwise they wouldn't be covered under non-ownership insurance because they are commercial vehicles regularly used in the service of the assured.

#### BORDERLINE CASES

Chairman O'Connor: Mr. Rall, in your legal work, you must run into a great many cases such as that. Do you feel there is any advantage to the insured of having all these borderline cases covered?

Mr. Rall: Well, I think that one of the outstanding phenomena of automobile accidents is that they don't always fall into the pigeonholes or the classifications that, as lawyers or underwriters, we would like to have them come in. There are all sorts of gradation and different situations of fact and the automobile owner usually never inquires about that before the accident and afterwards it is too late to wait on a question of coverage until the jury has returned its verdict in the accident case. The company has got to know in the first instance, and the insured ought to know.

It seems to me that a comprehensive coverage of this kind has many advantages. For instance, a company that we represented had coverage on ownership and hired car of a floral concern. One night they got a rush order for flowers and gave a bunch of flowers to one of the boys who was regularly employed there, who had his own car, and tipped him 50 cents to take the flowers on his way home. He was involved in an accident. The question arose, "Was that a hired car?" He wasn't really hiring the automobile at all; he was just tipping the fellow. It certainly wasn't an owned car.

I think the experience of all of you will show a lot of instances of that kind where comprehensive coverage would

fill in the chinks, so to speak, and make it unnecessary to determine just what category your assured falls into.

Chairman O'Connor: Mr. Bremer, can you add any illustrations on that?

Mr. Bremer: Not on automobile. We will have more of them in connection with the general liability.

Chairman O'Connor: Mr. Kemble, would you describe the additional interests clause of the new automobile policy.

Mr. Kemble: The only thing that I object to is that it is a pretty long clause. Unfortunately, I think that is more or less necessary because of the fact that the additional interests coverage for owned, hired and non-owned automobiles varies. The main difference, I would say, between the comprehensive clause and that appearing in other policies is the fact that as far as the named insured is concerned, he has complete automobile protection.

#### Additional Interests

Now, as regards additional interests, there might be a trailer owned by the insured, for instance, that was used on a non-owned automobile, and there is a new exclusion there which would not give any coverage to the driver of that non-owned automobile. Also, there is a new restriction with regard to the use of any automobile as a bus, taxicab or private livery. There is no additional interests coverage in that case. Otherwise, I think the exclusions follow along the main lines that we have in the policy today.

Chairman O'Connor: You think you could summarize it, Mr. Kemble, by saying the intent of the comprehensive automobile policy is to give the same additional interests protection that would be provided by a combination of individual forms?

Mr. Kemble: More or less, although I believe in regard to the trailer coverage, that that is broader than under the present schedule policies.

#### QUESTION ON EXCLUSION

Mr. Wood: Mr. O'Connor, I would like to ask a question on this matter of coverage. In exclusion (a) in the new policy, taxicabs, public buses and private livery conveyances are referred to as being excluded. I assume that that means that the insured may not use them as such. Would you think that that excluded the use of taxicabs as a passenger, or the use of a public livery vehicle to transport customers out to see a subdivision by a real estate man, or a class in botany by a university or college to take them out in the field? What is your opinion about that?

Chairman O'Connor: Mr. Hofmeister, would you care to answer that one?

Mr. Hofmeister: I had that question asked me last week and my answer was this, that the exclusion would only apply as respects the use of the automobile by the named insured and not by any other person. The case that was presented to me was this: There is an exclusion here also about trucking for others. This fellow asked me what would happen if the assured under this policy shipped some merchandise in a truck and on the same trip the trucker carried merchandise for someone else. In a sense, then, that truck would be used for trucking for others. He asked me whether the exclusion would then apply and I told him no, that we would not interpret the exclusion as applying to the named insured because, as far as the named insured was concerned, he was not using the car in trucking for others.

#### Automatic Coverage

Chairman O'Connor: We have had quite a discussion of the automatic coverage feature of the comprehensive automobile policy. Mr. Bremer, would you comment on that?

Mr. Bremer: The comprehensive coverage of the automobile policy does what other forms of automobile liability

polices have not hertofore done, in that upon the issuance of a comprehensive automobile form to an assured today, he is given a breadth of coverage which places him in a position to consider himself insured in almost every instance as against having to make it a matter of separate negotiation with regard to additional exposures. In the automobile comprehensive policy, it is very important. We are all conscious of the need for liability insurance in connection with the operation of motor vehicles. They are more or less of a spectacular thing, not in the sense that we have never seen one, but they are an instrumentality out of which we would expect accidents to arise at any time. Now, if the assured had to sit back and think each time before he engaged in something that was just a little bit out of the ordinary routine and for which he had provided himself the orthodox or regularly-bought forms of insurance, before he engaged in any new or special line of endeavor, he would frequently either dispense with some of the additional services that he saw fit to give or would check into the matter of cost and the detail of providing himself with the additional protection.

That, under the comprehensive automobile policy, is no longer necessary. With the exception of the few exclusions and that one modified exclusion which gives a limited amount of protection for a period of 10 days as to special activities not usually engaged in by the assured and which are frequently of a nature that they are not readily covered by a company, he has an excellent form of protection.

In this particular comprehensive form, we must remember this, that the policy is intended for the operator of more or less extensive lot of automobiles. It is not a policy which should be thought of in the sense of insurance for the owner of one or two private passenger cars. That is a question that has been put to us frequently, recently, and we might just as well dispense with it at this point.

#### Closer Scrutiny of Personal Sureties

(CONTINUED FROM PAGE 19)

45 were corporate surety bonds and the remainder signed by personal sureties. In another county only 46 out of 299 were corporate surety bonds.

If one-sixth of the personal surety bonds furnished in Cook county are found to be inadequate security, it necessarily follows that the percentage of inadequate security furnished through personal bonds must be considerably higher in the remainder of the state where no financial disclosure is required and where no real estate need be scheduled and where no title searches are made.

"Even assuming your judgment as to honesty and financial responsibility of administrators, guardians and conservators and their personal sureties is infallible, do you believe it just that the minor heirs and incompetents be dependent upon your clairvoyant powers as to the financial responsibility of the personal sureties, maybe years hence, when the day of reckoning may arrive?" Mr. Moser asked the judges.

#### Should Not Endanger Estates

"No matter how much business acumen a county or probate judge possesses, no matter how trained in legal principles he may be, he ought not to endanger the estate of a minor or incompetent, or the property of even adult heirs, by his confidence in his own ability as a prophet. That is exactly what is done every time a personal surety bond is approved, without at least requiring a schedule of real estate and the impressing of such real estate with an equitable lien for the benefit of the estate," Mr. Moser declared.

The banquet at which Mr. Moser spoke was tendered to the judges' asso-

ciation by the Surety Association of Chicago and Mr. Moser, who was the principal speaker, was furnished by the association. Julian Neale of Fidelity & Deposit, president of the Surety Association, was seated at the head table and was introduced. About 35 members of the association were there. The surety men were entertained by the judges at a cocktail party before the dinner.

#### Opportunity in "Boom Towns"

(CONTINUED FROM PAGE 3)

defense factories of hundreds of workmen, will continue some of the increased business possibilities as long as the present defense program is in effect. At Waynesville two of the more permanent developments have been set up not for the temporary construction period but for the subsequent time when draftees will be in training. These are two theaters, one a remodeled building which does not represent a very large investment, and the other a new building on which the owners are spending more than \$50,000. While the latter admit it is a gamble as to whether they will get their money out of the venture, they are shrewd theater operators and believe the investment is justified. Rolla itself will have another theater or two, to mention one phase of the increased activity that is resulting from the selective service act.

According to one observer, from a casualty point of view there is very little increase of public liability and workmen's compensation premiums at Rolla. A few of the temporary businesses do insure, but the desirability of such business is questionable. Perhaps this will be more of an opportunity after the thing settles down a little.

Agents in towns affected have written an increasing volume of automobile premiums, principally on the executive or semi-executive employees, such as contractor, architect and constructing quartermaster.

#### Increased Auto Exposure

A big factor affecting casualty insurance; at Rolla, for instance, is the tremendous increase in automobile exposure. As an example, one observer in traveling from the camp to Rolla on a Saturday night saw one wreck involving four cars, one involving two cars and four other cars in the ditch. The contractor's material trucks, the station wagons and private cars used by the contractor "mixed it up" with the jalopies of the employees and created such a traffic problem in and around the job it was necessary to assign six state policemen to patrol the highways in the vicinity.

Obviously, the situation is an experimental one from the insurance point of view, but the alert agent is investigating the possibilities. At the present time, it appears that "boom town" developments would go through two periods: The initial one during which a very high intensity of activity is created by the presence of several thousand workmen and their families; and the second phase in which increased business, perhaps not quite so much but steadier, will come from draftees and army men. With large defense plants this second phase will continue to involve several thousand workmen.

One of the conspicuous boom towns at the moment is Charleston, Ind., which has become the center of some extensive DuPont operations and the population has suddenly increased by several thousand. Another such town is Wilmington, Ill., near Joliet, where powder manufacturing enterprises are being set up on a large scale. Wilmington has had a population of less than 2,000. Already some 6,000 men are now at work preparing a project which covers an area of 41,000 acres that will be used for TNT and shell loading manufacturing. Every empty house, vacant room, and every



bit of space is jammed. Workers are living three or four to a room. There is a trailer camp. Also Elwood, Ill., in the neighborhood is getting its share of the boom.

## Springfield F. & M. Again Gives View Behind Scenes

(CONTINUED FROM PAGE 3)

year period. Under the circumstances, the increase in premium income must be attributed to the rapidly increasing production largely due to the extensive preparedness program.

Springfield F. & M. had an increase in premiums of \$991,259, Sentinel, \$28,267, Michigan F. & M., \$114,216 and New England Fire, \$28,541.

The expenses show an increase of \$334,604, but the expense ratio was 50.32 percent as compared with 50.85 the previous year. Assuming that 67 cents was the average rate for 1940, the group spent for management expenses 11.2 cents. For expenses not under control of the management, the companies spent for taxes 2.4 cents, for rate regulatory organizations and National Board 1.4 cents. He referred to the services of the National Board, particularly the fact that many of its engineers and inspectors for the past several months have been rendering valuable service to the army and navy departments without cost to the federal government.

Adjustment expense was 1.6 cents and Mr. Cruttenden expresses the belief that this should be properly charged to losses rather than to expenses.

### Remuneration of Agents

Less than 17 cents was paid to agents. "Having in mind that on the average not less than one-half of this amount is paid out by the agent for expenses, it seems to be a modest compensation for professional services comparable to those of your lawyer or doctor." He observed that the agent must have a complete knowledge of some 85 or 90 types of coverage written by fire companies.

The incurred loss ratio was 43.99 as against 43.03 in 1939.

The premium reserve of the four companies increased by \$914,162, and the premium reserve of the four companies is within \$800,000 of the premiums written in 1940.

The ratio of agents' balances charged off was .04 percent.

The underwriting experience was slightly less favorable than for the preceding year. Mr. Cruttenden referred to the high losses in the early months due to severe climatic conditions throughout the east and south. Nevertheless, the total trade credit for the four companies was \$1,195,832, an increase of \$147,078.

### Investment Income

Gross investment income was \$9,011 higher than in the previous year, but the statutory net income earned was \$9,411 less.

The Canadian net assets have been discounted by 14 percent, the reduction amounting to \$37,615.

Assets of Springfield were greater by \$573,412, of Michigan by \$92,736 and of New England by \$2,172. Sentinel declined somewhat in assets. Net surplus of Springfield was \$418,323 less and the other companies also had a decline.

There is continued a general voluntary reserve from surplus of \$500,000 for Springfield F. & M. Mr. Cruttenden said that the production of the new office in New York that was set up last July has been beyond the expectations of the management.

Springfield F. & M. operates in foreign countries through American Foreign Insurance Association. That association is accepting in certain countries under favorable conditions limited war risk coverage at adequate rates, according to Mr. Cruttenden. Springfield's war risk liability in any one country in western and central Europe is now less than \$15,000 and probably in most countries does not exceed \$5,000. The

## CASUALTY

### Ponder Blanket Bond, Forgery, Fidelity Problems

NEW YORK—Problems relating to bankers blanket bonds, forgery and fidelity bonds will be considered at three committee meetings in the office of the Surety Association of America Feb. 18-19.

The forgery bond committee will meet Tuesday morning, R. W. Stewart, assistant secretary of Fireman's Fund Indemnity, presiding.

The following day the bankers blanket bond committee will assemble in the morning, George W. Berry, vice-president Massachusetts Bonding, in the chair, and in the afternoon T. D. Brown, vice-president National Surety, will preside at a meeting of the fidelity committee.

Convening of these committees having interrelated problems on consecutive days is an innovation. It is believed the new method will conserve time and expense and facilitate representation by companies at points distant from New York.

### Finance Firm Projects New Casualty Company

Mid-States is the title of a new casualty company which is being projected in Chicago by General Finance Corporation of that city. Notice of intention to incorporate such a company has been given. General Finance also owns Mid-America of Detroit which writes automobile fire, theft, collision and comprehensive on financed cars. Its president is C. M. Verbiest. It is indicated that although Mid-States will be authorized to write all casualty lines, its business will be confined to the third party automobile lines.

Owen L. Coon, chairman of General Finance, will be president of Mid-States. He declared that the paid in capital will be \$200,000 and paid in surplus \$100,000. Vice-president will be Byron S. Coon, president of General Finance; secretary, P. N. Loveland, secretary of General Finance; treasurer, Lyle E. Titue, vice-president of General Finance.

Mr. Coon also owns control of Terminal National Bank of Chicago.

### Wants Assigned Risks Converted

Commissioner Rouillard of New Hampshire has asked the automobile writing companies to be as expeditious as possible in converting assigned risks to normal operations. He asked each company to review each assigned risk as it comes up for renewal and if that risk has been under the plan for two or more years, to advise the manager of the plan whether it considers the risk sufficiently improved to become a normal risk. If the company believes the risk should be continued under the plan, then it should furnish reasons for that decision. If the risk is to be converted into normal business, then the company should notify the broker of record as well as the manager of the plan.

### Comprehensive Policy Meetings

Maryland Casualty conducted a meeting on the new comprehensive liability policies in the Twin Cities branch at Minneapolis. The speakers were James Bugbee, assistant manager of the automobile department at the home office, and Curtis Carroll, liability underwriter. The morning session was attended by the office force and field men and then there was a session following a luncheon for agents and brokers. Edward C. Huhnke, resident manager, presided.

From outside Minneapolis and St.

war risk liability of Springfield in all of Europe is about \$25,000. Last year, he said, was the best in the history of A. F. I. A.

Paul the guests were: W. W. Burt of McKinney & Allen, general agents at Sioux Falls, S. D.; R. L. Freeman of the Baker agency, general agents at Fargo, N. D., and Jesse D. Bradley and Robert E. Huhnke of MacGregor, Bradley & Huhnke, general agents at Duluth.

Messrs. Bugbee and Carroll also conducted a similar meeting in Indianapolis. The forms were discussed further at a luncheon given for the visitors by J. Frank Miller, resident manager.

About 65 brokers attended a presentation of the new comprehensive automobile and liability coverages in the educational room of U. S. F. & G., Chicago. Walter S. Lane, city supervisor for U. S. F. & G., presided, and W. J. Jeffery, superintendent of the casualty department, Chicago, discussed the forms.

### Maryland Shifts Claim Men

C. A. Thompson, since 1929 manager of the San Diego claim division of Maryland Casualty, has been transferred to Los Angeles as claim manager. He is succeeded at San Diego by Arthur Peltzer, formerly in charge of the Fresno, Calif., sub-office.

Mr. Thompson started with Maryland in 1935 as an adjuster in San Francisco. Mr. Peltzer has been with Maryland since 1936, also beginning as an adjuster in San Francisco. He has been stationed at Fresno since June, 1937.

Maryland Casualty has opened two new claim offices in the West Indies, one on the Island of Antigua (Leeward Islands), and the other on the Island of St. Lucia (Windward Islands).

Edwin D. Stayton of the home office claim division will be resident adjuster at Antigua. He has been with Maryland since becoming an adjuster in Philadelphia in 1929, except for a period in private law practice.

Francis B. Bull has been named resident adjuster at St. Lucia. Connected with Maryland since August, 1935, for three years he has been adjuster in charge of the Tampa, Fla., claim office.

### New York A. & H. Week Plans

NEW YORK—Committee chairmen for various phases of Accident & Health Insurance Week in New York City have been appointed by W. L. Kick, Century Indemnity, general chairman. They are: Speakers, W. T. Hammer, Metropolitan Casualty; sales congress, W. C. Jeffery, Royal Indemnity; sales breakfast, L. W. Winslow, Fireman's Fund Indemnity; sales banquet, J. L. Ullman, W. L. Perrin & Son; distribution, I. C. Kick, London & Lancashire Indemnity; arrangements, E. S. Grandin, U. S. F. & G.; publicity, H. M. George, U. S. F. & G.

The sales congress will be held March 21, the sales breakfast March 25 and the banquet some time in May, the exact date to be announced later.

### Reviews Liability for Falls

DETROIT—A resume covering possible liability for injuries to people who slip on icy sidewalks has been prepared by E. B. Buchanan, Aetna Casualty claims attorney at Detroit, for the Detroit Adjusters Association. Negligence has to be proved to collect against

### Herman Didn't Trust His Relatives Any Too Much

Excerpts from the will of Herman Oberweiss, offered for probate at the June, 1934, term of the Anderson county, Tex., county court, were read by H. S. Moser, Chicago attorney, before the Illinois County & Probate Judges Association in Chicago, as follows:

"I am writing of my will mineself that des lawyir want he should have to much money he ask to many answers about the family. First thing i don't want my brother Oscar to get a god dam thing."

"Tell mama that six hundred dollars she has been looking for ten years is berried from the bakhouse behind about 10 feet down. She better let little Fredrick do the digging and count it when he comes up."

\*\*\*

"Mama should the rest get, but i want it so that Adolph should tell her what not she should do so no more slick irishers sell her vaken cleaner they noise like hell and a broom don't cost so much."

"I want it that mine brother Adolph be my executer and i want it that the Judge should please make Adolph plenty bond put up and watch him like hell. Adolph is a good bisness man but only a dumpfh would trust him with a busted pfennig."

a property owner. However, in cases where the city is held liable by reason of its statutory liability and not by reason of any active negligence, the city has an equitable right of subrogation against the owner regardless of the fact that the statutes do not provide such remedy.

### Await New York Action

TORONTO—Ontario has decided to postpone action on compulsory automobile liability legislation awaiting the fate of the New York measure, Attorney-general Conant reports.

Superintendent McNairn has suggested a compensation system for persons injured in automobile accidents but he feels that stricter motor vehicle laws and enforcement are the most effective ways of curtailing accidents. Of 682,891 passenger automobiles operating in Ontario 48.45 percent carry public liability insurance. In 1939 the 6,874 cars in accidents 55.88 percent were insured.

### Safety Awards for Brink's Men

Service buttons for exceptional safety records were presented to drivers of Brink's Express in Chicago last week, a ceremony repeated in other cities over the country during the week. Participating were Spencer Welton, vice-president of Massachusetts Bonding, which inaugurated the idea nine years ago; Stanley Owens, chief safety engineer; H. E. Reeves, vice-president of Joyce & Co., general agents for the company, and E. H. Ernst, manager of Brink's Chicago branch.

In 10 years the number of car miles traveled by Brink's has doubled yet number of accidents remains the same, effecting a 50 percent reduction in accident frequency. Mr. Reeves pointed out. Chicago had 22 percent less chargeable accidents although mileage decreased only 6.6 percent.

All Brink trucks traveled 6,181,698 miles in 1940, a 3 percent increase, and had a chargeable accident each 33,000 miles.

### Casualty Actuarial Committee

S. D. Pinney, associate actuary casualty actuarial department Travelers, president Casualty Actuarial Society, has appointed seven committees for 1941. Chairmen are: Admissions, T. F. Tarbell, Travelers; auditing, W. P. Comstock, London Guarantee & Accident; editorial, C. W. Hobbs, National Council on Compensation Insurance; educational, T. O. Carlson, National

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Bureau of Casualty & Surety Underwriters; examinations, R. P. Goddard, American Mutual; papers, A. N. Matthews, Travelers; program, Mr. Pinney, ex-officio.

### Protective Indemnity Sets Up Boston Branch

BOSTON—A New England branch of Protective Indemnity will be opened at 50 State street Monday, under the management of H. W. Dwight Rudd and Edgar F. Miller.

Mr. Rudd has been in charge of the office brokerage of Preferred Accident in Boston since 1934. He graduated from Harvard in 1915.

Mr. Miller has been with Preferred Accident for eight years. He has been in the Connecticut and Rhode Island field. He was president of the Connecticut Casualty Association in 1940 and has been reelected.

Charles H. Tarr, for the past 13 years with the Elmer A. Lord & Co. agency in Boston, will be the underwriter for the branch.

### Great-West Plans to Write A. & H.

Great-West Life of Canada was authorized by directors to apply for a license to do business in accident and sickness insurance.

While the company's plans are not advanced sufficiently for immediate entry into the field, it is working out details of policy contracts and studying agency arrangements, according to H. A. H. Baker, assistant general manager. As soon as the actuarial and selling studies have been completed, they will be correlated and the company will become active in the accident and health field.

The new department, when organized, will be within the framework of the present Great-West company structure. Head of the department has not yet been announced.

### Group Elects New Committee

CINCINNATI — New members of the governing committee of the Cincinnati Casualty & Surety Association are J. J. Fischer, chairman; Howard Doyle, A. D. Heister, M. A. Raub, and A. M. Peck.

Miles Leavitt, formerly with Century Indemnity in Boston, has been appointed assistant casualty underwriter of the Elmer A. Lord & Co. agency in Boston.

## Nostalgia

Robert L. Hunt, local agent of Buck Grove and Dow City, Ia., is the author of the following verses:

I'd like to be the small town's friend—  
The town I treasured so—  
The busy place from end to end  
Of some few years ago.

Its time-worn streets now broken, rough;  
Its empty stores, its hue—  
All seem to say they've had enough,  
Their hectic span is through!

Once stately, well-kept homes are old  
In want of friend or glory;  
The silver threads, but not the gold.  
Tell well their tragic story.

Debt, hardship and desertion loom  
Before my thoughtful view,  
Which only multiplies the gloom,  
For it's the town I knew!

The place where happiness was found,  
My home-sweet-home to me,  
While care-free years kept turning  
'round  
So swiftly, steadily.

I'd like to bring the small town back—  
No larger, but as then,  
And in life's ledger book keep track  
Of all that was—again.

I'd like to do one worthwhile deed  
While strength I still may lend;  
I'd like to be in time of need  
The dying small town's friend.

### Branion to N. Y. for Zurich; Shallberg Philadelphia Head

Zurich has appointed Robert V. Branion as superintendent of agents in the eastern department with headquarters at 80 John street, New York. For



ROBERT V. BRANION

the past three years he has been manager of the Philadelphia branch and he will be succeeded in that post by L. E. Shallberg, formerly Philadelphia manager of Ocean Accident.

Mr. Branion started with Travelers shortly after graduating from the University of Pennsylvania in 1923, and he served that company in various capacities at Hartford, Philadelphia and Albany. He went with Alliance Casualty in 1928, first as field assistant and later became assistant manager of the Philadelphia office. In 1932 he joined Zurich as assistant manager in Philadelphia. He was transferred to Pittsburgh in 1935. He became manager there the following year and he was made manager at Philadelphia in 1938.

Mr. Branion will direct the agency development work of Zurich in the eastern department outside of New York Metropolitan area. This promotion marks the first of 1941 plans for carrying on a vigorous campaign to obtain agents in several important sections for Zurich General, Zurich Fire and American Guarantee.

Mr. Shallberg also started with Travelers, and after a brief training period he was appointed field assistant at Kansas City in 1924. Shortly thereafter he was transferred to Chicago where he remained for two years and then resigned to go in business with his father as an agent in Moline, Ill. In 1930 he joined Ocean Accident as assistant manager at Chicago. Ocean promoted him to Philadelphia manager in 1935.

### "Manhattan" Loss Largest in History; Work Complicated

(CONTINUED FROM PAGE 6)

ure is meant to be amply high, his actual percentage will work out to somewhat less and will be on an exact basis. He will receive the difference between the original charge made against his consignment and the actual charge as finally determined.

### Baggage Technically Liable

Legally, passengers' baggage is just as much obliged to contribute to general average as is cargo, but since values are relatively small in comparison with the entire salvage charge and the amount of bookkeeping that would be required, international rules exempt passengers' baggage unless shipped under bill of lading.

Some may wonder why large concerns like United States Lines, owners of the Manhattan, or the insurers involved, did not hire a salvage firm on a

## Mutual Companies' 1940 Figures

	Adm. Assets	Unearned Prem.	Net Surplus	Cash Income	Net Losses Paid	Total Cash Income	Total Disb.
Arkwright Mut. Fire, Mass.	6,989,980	2,728,827	4,159,890	2,222,408	235,464	2,541,436	2,312,461
Berkshire Mut. Fire.	1,257,344	857,993	319,795	896,961	360,730	339,864	917,900
Guarantee Mut. O.	555,527	330,510	172,513	380,393	136,211	396,909	365,990
Hdwre. Drs. M. Fire.	8,704,918	4,262,965	3,327,109	4,994,171	1,485,285	5,188,652	4,652,516
Iowa Mutual	1,018,447	391,171	444,670	550,589	225,777	603,506	524,633
Kewaskum Mut. Fire.	168,132	34,332	132,555	41,921	12,670	36,650	36,831
Merch. & Bus. Men's Mut., Pa.	2,189,387	364,113	1,798,113	486,966	89,453	972,968	819,687
Millers Mut. Fire, Pa.	1,948,289	455,170	1,246,907	651,917	180,740	728,491	657,758
Mill Own. Mut. F., Ia.	2,966,488	1,867,140	908,335	2,218,431	713,311	2,860,717	2,190,524
Minn. Impl. Mut. F.	7,174,900	4,437,036	1,922,207	5,297,947	1,755,814	5,520,674	6,237,612
Mutual Fire, Pa.	530,184	254,985	250,000	265,577	75,360	282,219	233,133
Natl. Mutual, O.	453,393	191,036	219,952	212,653	89,394	226,533	232,165
Natl. Retailers Mut.	3,738,943	1,868,443	1,000,000	3,075,214	1,019,039	3,149,555	2,893,261
Phila. Mfrs. Mut.	1,707,123	948,127	726,623	916,031	89,917	62,028	134,643
Tri-State M. Gr. Drs.	623,530	132,495	483,477	188,232	72,962	221,712	188,448

straight per diem basis rather than leaving the charges to be determined after the job is done. One reason for handling it on the customary basis, from the owners and underwriters' angle even if the salvage firm were willing to work for a specified per diem, is that the per diem basis might find the owners confronted with a total loss after spending \$100,000 or so on salvage efforts. The insurance would cover the loss but the salvage bill would be assessed against the cargo, if any. On the "no cure no pay" plan this danger is obviated, even though it may result in a higher charge being paid on successful jobs than if a straight per diem basis had been used.

### No P. & I. Claims

So far no claims coming under the protection and indemnity coverage have come to light. Loss of earnings coverage, corresponding to U. & O., was not carried. It is not customarily purchased except where the shipowner has some definite reason to fear the need of it, as where a stevedore or seamen's strike is threatened.

Frank B. Hall & Co. is handling the loss adjustment for the United States Lines as its insurance broker and is also acting as trustee in connection with the general average.

## Van Schaick Group Hears Insurance Men on War Covers

WASHINGTON—Members of the war department's new committee to advise on insurance matters pertaining to the army's construction program held their initial meeting this week, spending the first two days of the week in conferences with insurance executives.

The committee consists of G. S. Van Schaick, former New York superintendent and now vice-president of New York Life, chairman; Prof. S. S. Huebner, University of Pennsylvania; Prof. Ralph H. Blanchard, Columbia University, and Prof. George K. Gardner, Harvard law school.

On Monday, the committee heard representatives of major companies, discussing with them the problem of providing insurance for the vast amount of construction work now being carried out for the war department.

Among those heard were C. W. Fairchild, general manager of the Association of Casualty & Surety Executives, and A. V. Gruhn, general manager American Mutual Alliance.

Other insurance executives appearing were F. A. Christensen, Fidelity & Casualty; C. B. Morcom, Aetna Casualty; Kenneth Spencer, president of Globe Indemnity; G. A. Gleason, counsel Employers Liability; E. J. Bond, president Maryland Casualty; William Leslie, manager National Bureau of Casualty & Surety Underwriters; Howard M. Starling, Association of Casualty & Surety Executives; and S. B. Perkins, secretary Travelers.

W. F. Low of Stewart, Hencken & Will, New York City brokerage firm, died suddenly at his home in Brooklyn.

### Philadelphia Society Has Its Annual Banquet

PHILADELPHIA—Education is a dominant idea now in insurance, J. A. Stevenson, president Penn Mutual Life, declared in his talk as toastmaster at the annual banquet Insurance Society of Philadelphia.

John W. Donahue, resident vice-president Maryland Casualty Society, president, announced the society remodeled its home to carry on still further its educational work. In view of the new licensing rules and regulations put in effect by the Pennsylvania department, the society will give a course to applicants to fit them for either agents or brokers licenses. The society plans a special celebration for its 40th anniversary in October.

E. E. Lindner, Indemnity of North America, perpetual chairman of the annual banquet, officiated.

Among prominent insurance officials from New York and Philadelphia present were Commissioner Taggart, Pennsylvania; J. S. Thompson, president Insurance Institute of America; E. J. Bond, Jr., president, and W. T. Harper, agency vice-president, Maryland Casualty; O. E. Lane, president, and J. V. Herd, vice-president, Fire Association; Sheldon Catlin, assistant to the president North America; J. S. Smith, executive secretary Philadelphia Contributionship; T. M. Patterson, secretary Pennsylvania Fire; H. P. Stellwagen, vice-president Indemnity of North America; M. J. Broderick, president Eureka Casualty; John Glendenning, vice-president Home of New York; J. P. Rodgers, vice-president State of Pennsylvania, Stanley Kite, vice-president Ohio Casualty, and J. J. King, president Insurance Society of New York and of Hooper-Holmes Bureau.

Louis A. Johnson, former assistant secretary of war, spoke, making a plea to drop all partisanship and work for preservation of the democracy, to support "all-out" aid to Great Britain, and defending his campaign for rearmament which he began in August, 1937. "The time has come," he said, "when we must stand for America and for all the democratic principles in the world. Aid to England rises above all partisan controversy."

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# GENERAL AMERICA COMPANIES

ANNUAL STATEMENTS, DECEMBER 31, 1940

## GENERAL INSURANCE COMPANY of AMERICA

ASSETS		LIABILITIES	
Cash in Banks and On Hand.....	\$ 2,453,880.73	Reserve for Unearned Premiums.....	\$ 8,047,793.17
*United States Government Bonds.....	4,586,264.47	Reserve for Losses in Process of Adjustment...	656,325.81
*Other Bonds and Warrants.....	2,937,360.89	Reserve for Commissions, Taxes and Expense..	613,521.01
*Stocks .....	5,543,764.00	Funds Held Under Reinsurance Treaties.....	192,813.48
Mortgage Loans .....	176,109.30	Reserve for Dividends to Policyholders.....	392,761.97
Real Estate .....	184,183.43	<b>Capital .....</b>	<b>\$1,000,000.00</b>
Premiums in Process of Collection.....	1,179,562.89	<b>General Voluntary Reserve.....</b>	<b>765,000.00</b>
Accrued Interest and Rents.....	58,066.23	<b>Net Surplus .....</b>	<b>5,531,077.69</b>
Other Admitted Assets.....	80,101.19	Policyholders Surplus .....	7,296,077.69
<b>TOTAL ASSETS .....</b>	<b>\$17,199,293.13</b>	<b>TOTAL .....</b>	<b>\$17,199,293.13</b>

\*Bonds and Warrants are stated at Amortized or Investment Values, stocks at values approved by the National Convention of Insurance Commissioners. On basis of December 31, 1940, market quotations for all bonds and stocks owned, this company's total admitted assets would be increased to \$17,560,079.98 and Policyholders Surplus to \$7,657,464.54.

**DISTRIBUTION OF ASSETS**—Cash and United States Government Bonds—40.9%; Other Bonds and Warrants—17.1%; Stocks—32.2%; Mortgage Loans—1.0%; Real Estate—1.1%; All other Assets—7.7%.

## GENERAL CASUALTY COMPANY of AMERICA

ASSETS		LIABILITIES	
Cash in Banks and On Hand.....	\$ 781,958.89	Reserve for Unearned Premiums.....	\$2,468,095.45
*United States Government Bonds.....	2,086,638.07	Reserve for Losses in Process of Adjustment...	1,772,419.19
*Other Bonds .....	1,990,261.83	Reserve for Commissions, Taxes and Expense...	252,634.83
*Stocks .....	799,496.00	Funds Held Under Reinsurance Treaties.....	34,976.06
Premiums in Process of Collection.....	806,938.27	<b>Capital .....</b>	<b>\$1,000,000.00</b>
Accrued Interest .....	32,293.66	<b>General Voluntary Reserve.....</b>	<b>120,000.00</b>
<b>TOTAL ASSETS .....</b>	<b>\$6,497,586.72</b>	<b>Net Surplus .....</b>	<b>849,461.19</b>
		Policyholders Surplus .....	1,969,461.19
		<b>TOTAL .....</b>	<b>\$6,497,586.72</b>

\*Bonds are stated at Amortized or Investment Values, stocks at values approved by the National Convention of Insurance Commissioners. On basis of December 31, 1940, market quotations for all bonds and stocks owned, this company's total admitted assets would be increased to \$6,690,954.82 and Policyholders Surplus to \$2,162,829.29.

**DISTRIBUTION OF ASSETS**—Cash and United States Government Bonds—44.2%; Other Bonds—30.6%; Stocks—12.3%; All other Assets—12.9%.

## FIRST NATIONAL INSURANCE COMPANY of AMERICA

ASSETS		LIABILITIES	
Cash in Banks and on Hand.....	\$ 257,818.55	Reserve for Unearned Premiums.....	\$ 535,292.48
*United States Government Bonds.....	713,242.35	Reserve for Losses in Process of Adjustment...	34,694.13
*Other Bonds .....	123,443.71	Reserve for Taxes and Expense.....	54,146.91
*Stocks .....	182,300.00	Reserve for Dividends to Policyholders.....	1,000.00
Premiums in Process of Collection.....	162,687.80	<b>Capital .....</b>	<b>\$500,000.00</b>
Accrued Interest .....	4,689.65	<b>Net Surplus .....</b>	<b>319,048.54</b>
<b>TOTAL ASSETS .....</b>	<b>\$1,444,182.06</b>	Policyholders Surplus .....	819,048.54
		<b>TOTAL .....</b>	<b>\$1,444,182.06</b>

\*Bonds are stated at Amortized or Investment Values, stocks at values approved by the National Convention of Insurance Commissioners. On basis of December 31, 1940, market quotations for all bonds and stocks owned, this company's total admitted assets would be increased to \$1,491,146.00 and Policyholders Surplus to \$866,012.48.

**DISTRIBUTION OF ASSETS**—Cash and United States Government Bonds—67.2%; Other Bonds—8.6%; Stocks—12.6%; All other Assets—11.6%.

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